

EXECUTIVE SUMMARY HUMAN SERVICES APPROPRIATION ACT

HOUSE FILE 732

NEW PROGRAMS, SERVICES, OR ACTIVITIES

- Adds an appropriation of \$200,000 from Temporary Assistance for Needy Families (TANF) funds for the Healthy Opportunities for Parents to Experience Success (HOPES) Program. (Page 5, Line 18)
- Adds an appropriation of \$500,000 from TANF funds for the Iowa Marriage Initiatives Grant Fund. (Page 5, Line 22) *This item was vetoed by the Governor.*
- Adds an appropriation of \$250,000 contingent upon enactment of legislation in 2002 for a Statewide Central Intake Unit for Child Protection. (Page 38, Line 14)

MAJOR INCREASES, DECREASES, OR TRANSFERS OF EXISTING PROGRAMS

- **Temporary Assistance for Needy Families:** Increases TANF funding for the following:
 - An increase of \$850,000 for The Job Opportunities and Basic Skills (JOBS) Program for increased transportation costs. (Page 3, Line 26)
 - An increase of \$5.5 million for State Child Care Assistance for a projected increase in caseload and to end the waiting list effective June 30, 2001. (Page 4, Line 2)
 - An increase of \$176,000 for federal welfare reform reporting, tracking, and case management. (Page 5, Line 6)
- **Family Investment Program:** Increases the General Fund appropriation for the Family Investment Program by \$604,000 compared to the FY 2001 estimated net appropriation. (Page 13, line 27)
- **Child Support Recovery Unit:** Decreases the General Fund appropriation for the Child Support Recovery Unit by \$118,000 and increases State FTE positions by 49.0 compared to the FY 2001 estimated net appropriation, for conversion of contracted staff to State FTE positions. (Page 16, Line 13)
- **Medical Assistance:** Increases the General Fund appropriation for Medical Assistance by \$12.5 million compared to the FY 2001 estimated net appropriation. (Page 18, Line 19)
- **Health Insurance Premium Payment Program:** Increases the General Fund appropriation for the Health Insurance Premium Payment (HIPP) Program by \$162,000 compared to the FY 2001 estimated net appropriation for increased participation costs. (Page 24, Line 13)
- **Children's Health Insurance Program:** Increases the General Fund appropriation for the Children's Health Insurance Program (CHIP) by \$4.7 million compared to the FY 2001 estimated net appropriation. (Page 24, Line 25)
- **Medical Contracts:** Increases the General Fund appropriation for Medical Contracts by \$274,000 and 8.0 FTE positions compared to the FY 2001 estimated net appropriation. (Page 25, Line 24)
- **State Supplementary Assistance:** Decreases the General Fund appropriation for State Supplementary Assistance by \$436,000 compared to the FY 2001 estimated net appropriation. (Page 26, Line 21)

EXECUTIVE SUMMARY

HUMAN SERVICES APPROPRIATION ACT

HOUSE FILE 732

MAJOR INCREASES, DECREASES, OR TRANSFERS OF EXISTING PROGRAMS (CONTINUED)

- **Juvenile Home at Toledo:** Increases the General Fund appropriation for the Juvenile Home at Toledo by \$174,000 compared to the FY 2001 estimated net appropriation. (Page 29, Line 15)
- **Child and Family Services:** Decreases the General Fund appropriation for Child and Family Services by \$2.8 million. (Page 30, Line 21)
- **Community-Based Services:** Increases the General Fund appropriation for Community-Based Services by \$250,000 compared to the FY 2001 estimated net appropriation for additional child abuse prevention grants. (Page 38, Line 31)
- **Mental Health Institutes:** Increases the General Fund appropriation for the Mental Health Institutes by \$362,000 compared to the FY 2001 estimated net appropriation, including:
 - An increase of \$63,000 at Cherokee. (Page 40, Line 15)
 - An increase of \$116,000 at Clarinda. (Page 40, Line 21)
 - An increase of \$245,000 at Independence. (Page 40, Line 27)
 - A decrease of \$62,000 at Mt. Pleasant. (Page 41, Line 20)
- **State Resource Centers:** Decreases the General Fund appropriation for the State Resource Centers by \$1.9 million compared to the FY 2001 estimated net appropriation, including:
 - A decrease of \$1.1 million at Glenwood. (Page 43, Line 26)
 - A decrease of \$814,000 at Woodward. (Page 43, Line 29)
- **Personal Assistance Program:** Decreases the General Fund appropriation for the Personal Assistance Program by \$100,000 compared to the FY 2001 estimated net appropriation due to phasing out the Program. (Page 48, Line 25)
- **Field Operations:** Increases the General Fund appropriation for Field Operations by \$1.6 million compared to the FY 2001 estimated net appropriation. (Page 50, Line 1)
- **General Administration:** Decreases the General Fund appropriation for General Administration by \$4.4 million compared to the FY 2001 estimated net appropriation. (Page 53, Line 2)
- Creates the Juvenile Detention Home Fund to receive the existing revenues from motor vehicle license reinstatement penalties and specifies the distribution of the funds. These revenues are currently deposited in the General Fund. (Page 37, Line 22; Page 62, Line 15; and Page 64, Line 4 through Page 64, Line 35)

SIGNIFICANT CHANGES TO THE CODE OF IOWA

EXECUTIVE SUMMARY

HUMAN SERVICES APPROPRIATION ACT

HOUSE FILE 732

SIGNIFICANT CHANGES TO THE CODE OF IOWA (CONTINUED)

- Delays the repeal of Chapter 225B, Code of Iowa, relating to Prevention of Disabilities, from July 1, 2001, to July 1, 2006. (Page 61, Line 29)
- Creates the Iowa Marriage Initiative Grant Fund within the State Treasury. (Page 61, Line 33)
- Changes the current fifteen cents per transaction reimbursement for the food stamp electronic benefit transfer (EBT) to seven cents per transaction. (Page 62, Line 26)
- Permits the DHS to implement a single contact repository for child abuse registry information. (Page 63, Line 3)
- Eliminates an exemption for individuals with disabilities from participation in Family Investment Agreements and the Promise Jobs Program. (Page 63, Line 19)
- Reduces the FY 2002 appropriation for Mental Health Allowable Growth from \$26.5 million to \$24.9 million. Reduces the same appropriation further withholding \$15.6 million. Net cost to the State is \$9.3 million. (Page 65, Line 27 and Page 68, Line 11)

STUDIES AND INTENT LANGUAGE

- Specifies requirements of the Iowa Marriage Matters Initiative Grant Fund. (Page 5, Line 22)
This item was vetoed by the Governor.
- Requires the DHS to expand the electronic benefit transfer (EBT) card (being developed for food stamps) to medical assistance eligibility and child care service providers reimbursed by State funds. Also specifies legislative intent that the electronic funds transfer equipment already being utilized by a retailer participating in the Food Stamp Program be used for the electronic benefit transfer (EBT). (Page 8, Line 4 and Page 8, Line 10) *This item was vetoed by the Governor.*
- Requires the DHS to provide federal Access and Visitation Grant moneys directly to private not-for-profit agencies providing visitation site and mediation services. (Page 18, Line 14)
- Permits the DHS to establish a subsidized guardianship program if a federal Title IV-E waiver is received. (Page 37, Line 9)
- Specifies that the Mental Health Institute at Mount Pleasant be permitted to carry forward the needed revenues related to the dual diagnosis program to meet credit obligations owed to counties as a result of year-end per diem adjustments. (Page 42, Line 29)
- Prohibits additional individuals from being accepted into the Personal Assistance Program pilot project. (Page 49, Line 6)
- Requires the DHS to notify various entities regarding bonus and incentive payments or other payments received by the DHS. (Page 53, Line 22) *This item was vetoed by the Governor.*

EXECUTIVE SUMMARY

HUMAN SERVICES APPROPRIATION ACT

HOUSE FILE 732

STUDIES AND INTENT LANGUAGE (CONTINUED) EFFECTIVE DATES

- Requires that funds received in a settlement with a fiscal agent of the DHS be used to supplement the FY 2002 Medical Assistance appropriation. (Page 65, Line 8)
- Specifies the following Sections are effective upon enactment. (Page 71, Line 13)
 - Section 3, Subsection 2 - Specifies that the nonreversion of FY 2001 technology funds for the electronic benefits transfer (EBT) is effective upon enactment.
 - Section 14, Subsections 2(e) and 14(a) - Specifies that the placement criteria for juvenile foster care and the distribution formula for certain court-ordered services are effective upon enactment.
 - Section 26, Subsection 2 - Specifies that the carryforward provision for FY 2001 revenues of the Sexual Predator Commitment Program is effective upon enactment.
 - Section 34 - Specifies that approximately \$5.0 million from various appropriations from the FY 2001 Tobacco Settlement appropriation not revert and be carried forward into FY 2002 to supplement the FY 2002 Medical Assistance appropriation.
 - Section 45 - Specifies the use of FY 2001 revenues from a court settlement for the Medical Assistance Program in FY 2002 is effective upon enactment.
 - Section 46 - Specifies that the carryforward provision for FY 2001 revenues of the Pharmaceutical Case Management study is effective upon enactment.
 - Section 51 - Specifies that the FY 2001 equipment purchase moratorium for the DHS is effective upon enactment. *This item was vetoed by the Governor.*
 - Section 52 – Specifies the implementation of the decategorization pilot project is effective upon enactment. (Page 70, Line 13)

GOVERNOR'S VETOES

- The Governor vetoed \$500,000 TANF funding and language to establish the Iowa Marriage Initiative. The Governor indicated the funding was needed for child care programs and therefore he was unable to justify a new program. (Page 5, Line 22)
- The Governor vetoed language to require the DHS to report uses of TANF funding and how it met the purposes outlined in federal law. The Governor indicated that this information is currently available without the need for an additional report. (Page 6, Line 31)
- The Governor vetoed language requiring the DHS to expand the electronic benefits system to include payments for childcare and health care services. The Governor indicated that the idea was worthy but resources to implement it were not provided. (Page 8, Line 4)

EXECUTIVE SUMMARY HUMAN SERVICES APPROPRIATION ACT

HOUSE FILE 732

GOVERNOR'S VETOES (CONTINUED)

- The Governor vetoed language proposing that the DHS continue a case study for outcome-based performance standards. The Governor indicated that the study has been completed and delivered to the General Assembly. (Page 22, Line 6)
- The Governor vetoed language proposing that the Drug Utilization Review Commission review the use of non-sedating antihistamines. The Governor indicated that such a review has taken place and a further review would not be productive. (Page 24, Line 6)
- The Governor vetoed language requiring the DHS to report on actual costs of providing coverage reported by each insurer participating in the HAWK-I Program. The Governor indicated that this would require the DHS to take on additional work at a time when funding has been reduced. (Page 25, Line 8)
- The Governor vetoed language requiring the DHS to seek a waiver to permit families eligible for Medicaid to participate in the HAWK-I Program. The Governor indicated that the same language was included in previous legislation and the proposal was submitted by the DHS and rejected by the federal government. (Page 25, Line 16)
- The Governor vetoed language requiring the DHS to seek input and recommendations from legislative members prior to entering into or extending a managed care contract for mental health or substance abuse services. The Governor indicated that a process for securing contracts currently exists and that the General Assembly failed to fund the proposal. (Page 25, Line 31)
- The Governor vetoed language requiring a plan for relocating the male population at the Toledo Juvenile Home to other facilities. The Governor indicated that the General Assembly had failed to fund the plan in previous years and the current year. (Page 29, Line 18)
- The Governor vetoed intent language for the use of \$25,000 for parking lot improvements and \$63,000 and 2.0 FTE positions for security staff at the Toledo Juvenile Home. The Governor indicated that the funds should be utilized for direct services. (Page 29, Line 26)
- The Governor vetoed language requiring the DHS to report when the juvenile institutions, the Mental Health Institutes, and the State Resource Centers were cited for noncompliance of various regulatory requirements. The Governor indicated that the information is already available to the public. (Page 30, Line 11; Page 43, Line 10; and Page 45, Line 33)
- The Governor vetoed language permitting the DHS to adopt administrative rules regarding the qualifications of rehabilitative treatment service providers. The Governor indicated that the administrative rule process for such action was already underway. (Page 36, Line 29)

EXECUTIVE SUMMARY HUMAN SERVICES APPROPRIATION ACT

HOUSE FILE 732

GOVERNOR'S VETOES (CONTINUED)

- The Governor vetoed intent language requiring the use of \$700,000 from the appropriation for Child and Family Services for specific female juvenile treatment. The Governor indicated that the DHS already allocates funds for female juveniles. (Page 37, Line 16)
- The Governor vetoed intent language for the use of \$63,000 and 2.0 FTE positions for security staff at the Mental Health Institute at Independence. The Governor indicated that the funds should be utilized for direct services. (Page 41, Line 17)
- The Governor vetoed language relating to a pilot project for decategorization of funding for mental health, mental retardation, and developmental disabilities services. The Governor indicated that the DHS does not have the necessary staffing resources. (Page 47, Line 19; Page 70, Line 13; and Page 71, Line 13)
- The Governor vetoed language relating to the elimination of the regional office administrative level within the Field Operations Division. The Governor indicated that the duties of the DHS had not been reduced and duties would have had to have been completed by local level staff. (Page 50, Line 16)
- The Governor vetoed language requiring the DHS to expand the community partnership approach to child protective services and to work to secure additional funding. The Governor indicated that these activities are currently taking place and that the community partnership approach in child protection is being expanded to more than 65 counties. (Page 50, Line 32)
- The Governor vetoed language prohibiting the DHS from reducing service funding for disability rehabilitation programs, statewide supported employment programs, or reducing drawdown of federal funding. The Governor indicated that this would require additional duties at a time when funding and staffing have been reduced. (Page 53, Line 15)
- The Governor vetoed language requiring the DHS to report to designated persons within 30 days of notice any future receipt of bonuses, incentives, or other payments received by the State that may be used to supplement State funds appropriated to the DHS. The Governor indicated that this would require additional duties at a time when funding and staffing have been reduced. (Page 53, Line 22)
- The Governor vetoed intent language encouraging the DHS to negotiate with the State of Nebraska to maximize use of resources. The Governor indicated that this would require additional duties at a time when funding and staffing have been reduced. (Page 53, Line 30)

EXECUTIVE SUMMARY

HUMAN SERVICES APPROPRIATION ACT

HOUSE FILE 732

GOVERNOR'S VETOES (CONTINUED)

- The Governor vetoed language requiring the DHS to increase its efforts to collect pharmaceutical manufacturer rebates in order to meet the national average for rebates. The Governor indicated that, based on industry data, the State is currently collecting 99.1% of the national average for rebates. (Page 54, Line 18)
- The Governor vetoed language requiring the DHS to implement a generic co-payment program to encourage the dispensing and use of less costly pharmaceutical alternatives and establishes rates for co-payment. The Governor indicated that this proposal increases fees for Iowa seniors, children, and people with special needs. (Page 54, Line 18)
- The Governor vetoed language requiring the DHS to study the salary disparity of public employees to employees providing child welfare services in the private sector. The Governor indicated that the DHS does not have the resources for the study. (Page 59, Line 13)
- The Governor vetoed language requiring the DHS to eliminate the purchase of nonessential equipment for the balance of FY 2001. The Governor indicated that the language is unnecessary, as all departments have been directed to cease the purchase of nonessential equipment. (Page 69, Line 28)

ENACTMENT DATE

- This Act was approved by the General Assembly on May 5, 2001, and item vetoed and signed by the Governor on May 31, 2001.

House File 732

House File 732 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
7	31	3.1(e)	Nwthstnd	Sec. 5.1(d), Chapter 1218, 1998 Iowa Acts, & Sec. 5.1(d), Chapter 203, 1999 Iowa Acts	Electronic Benefits Transfer Program
8	15	3.2	Nwthstnd	Sec. 5.4, Chapter 1226, 2000 Iowa Acts	Use of Unused TANF Funds
11	12	3.5(c)(3)(a)	Nwthstnd	Sec. All	Child Support Pilot Project
15	20	5.2	Nwthstnd	Sec. 8.33	Utility and Rent Deposits
19	15	7.2	Nwthstnd	Sec. 8.39	Case Management Services
32	27	14.6	Nwthstnd	Sec. 234.35(1)	Shelter Care Funding Limitation
33	24	14.1	Nwthstnd	Sec. 8.33	Federal Funds Carried Forward
34	20	14.14(a)	Nwthstnd	Sec. All	Court Funds Formula
35	13	14.14(d)	Nwthstnd	Sec. All	Court Ordered Funding Limitation
35	27	14.14(e)	Nwthstnd	Sec. All	County Funding for Juvenile Services Limitation
36	18	14.17	Nwthstnd	Sec. 8.33	Carryforward of Court-Ordered Funding
37	9	14.19	Nwthstnd	Sec. 234.39(5) and Sec. 43, Chapter 1228, 2000 Iowa Acts	Subsidized Guardianship Program
37	22	15	Nwthstnd	Sec. 232.142(3)	Juvenile Detention Home Fund
42	29	20.4(b)(5)	Nwthstnd	Sec. 8.33	Dual Diagnosis Credit Obligations Carryforward
45	1	21.3(d)	Nwthstnd	Sec. 8.33	Carryforward of State Resource Centers Funds
49	25	26.2	Nwthstnd	Sec. 8.33	Sexual Predator Funding Carryforward
56	22	31.1(k)	Nwthstnd	Sec. 249A.20	Reimbursement Rates for FY 2002
57	23	31.5	Nwthstnd	Sec. 234.38	Foster Care Subsidy Rate
60	16	33	Nwthstnd	Sec. 239B.14	Fraud and Recoupment
61	1	34.1	Nwthstnd	Sec. 5, Chapter 1221, 2000 Iowa Acts	Carryforward of Certain FY 2001 Tobacco Settlement Funds
61	12	34.2	Nwthstnd	Sec. 5, Chapter 1221, 2000 Iowa Acts	Carryforward of Certain FY 2001 Tobacco Settlement Funds

Page #	Line #	Bill Section	Action	Code Section	Description
61	20	35	Amends	Sec. 135H.6(2)	Accreditation Standards for Psychiatric Medical Institutions for Children
61	29	36	Amends	Sec. 225B.8	Prevention of Disabilities Statute Repeal Delayed
61	33	37	Adds	Sec. 234.45(1 & 2)	Iowa Marriage Initiative Grant Fund
62	15	38	Adds	Sec. 232.142(6)	Juvenile Detention Home Fund
62	26	39	Amends	Sec. 234.12A(1)(b & c)	Electronic Benefit Transfer Reimbursements
63	3	40	Amends	Sec. 235A.16(2)(a & b)	Child Abuse Registry
63	19	41	Amends	Sec. 239B.8(1)	Individuals with Disabilities
64	4	42	Amends	Sec. 321.218A	Technical Correction
64	21	43	Amends	Sec. 321A.32A	Technical Correction
65	1	44	Amends	Sec. 426.2(3)	Warrants to County Treasurers
65	8	45	Adds	Sec. 8(18), Chapter 1228, 2000 Iowa Acts	Use of Funds from Court Settlement
65	19	46	Adds	Sec. 9, unnumbered paragraph, Chapter 1228, 2000 Iowa Acts	Pharmacy Case Management Funds Carryforward
65	27	47	Amends	Sec. 1, Chapter 1232, 2000 Iowa Acts	Mental Health Allowable Growth Funds
67	4	48	Nwthstnd	Sec. 225C.7; 331.438(2); 331.439(3); 426B.5; Sec. 1, Chapter 1232, 2000 Iowa Acts	Mental Health Allowable Growth Funding
69	5	49	Nwthstnd	Sec. 17A.4(5) and 17A.8(9)	Administrative Rules

1 1 Section 1. EARLY CHILDHOOD FUNDING.
1 2 1. The appropriations made in 1998 Iowa Acts, chapter
1 3 1218, section 2, and 2000 Iowa Acts, chapter 1228, section 2,
1 4 subsection 1, paragraph "b", from the fund created in section
1 5 8.41 to the department of human services for the fiscal year
1 6 beginning July 1, 2001, and ending June 30, 2002, from moneys
1 7 received under the federal temporary assistance for needy
1 8 families (TANF) block grant shall be used for funding of
1 9 community-based programs targeted to children from birth
1 10 through five years of age, developed by community empowerment
1 11 areas as provided in this section.

1 12 2. The department may transfer federal temporary
1 13 assistance for needy families block grant funding appropriated
1 14 and allocated in this section to the child care and
1 15 development block grant in accordance with federal law as
1 16 necessary to comply with the provisions of this section. The
1 17 funding shall then be provided to community empowerment areas
1 18 for the fiscal year beginning July 1, 2001, in accordance with
1 19 all of the following:
1 20 a. The area must be approved as a designated community
1 21 empowerment area by the Iowa empowerment board.
1 22 b. The maximum funding amount a community empowerment area
1 23 is eligible to receive shall be determined by applying the
1 24 area's percentage of the state's average monthly family
1 25 investment program population in the preceding fiscal year to
1 26 the total amount appropriated for fiscal year 2001–2002 from
1 27 the TANF block grant to fund community-based programs targeted
1 28 to children from birth through five years of age developed by
1 29 community empowerment areas.
1 30 c. A community empowerment area receiving funding shall
1 31 comply with any federal reporting requirements associated with
1 32 the use of that funding and other results and reporting
1 33 requirements established by the Iowa empowerment board. The
1 34 department shall provide technical assistance in identifying
1 35 and meeting the federal requirements.
2 1 d. The availability of funding provided under this section

Specifies that the FY 2002 Temporary Assistance to Needy Families (TANF) Block Grant appropriation to the Department of Human Services (DHS) for community empowerment shall be used to fund community-based programs for children aged 0-5 as developed by community empowerment areas.

DETAIL: In FY 1999, the General Assembly appropriated to the DHS \$3,800,000 per year for a four-year period to fund community programs serving children aged 0-5. The FY 2001 appropriation increases funding by \$2,550,000 for total funding of \$6,350,000 for the specified purposes. The FY 2002 appropriation maintains total funding of \$6,350,000.

Permits the DHS to transfer TANF funds to the Child Care and Development Block Grant as necessary to achieve the provision of funding to communities. Requires the funds be provided to community empowerment areas as approved by the Iowa Empowerment Board and bases an area's allocation on its percentage of the State's Family Investment Program (FIP) population. Also, requires compliance with federal regulations and requires the DHS to provide technical assistance to meet federal requirements.

2 2 is subject to changes in federal requirements and amendments
2 3 to Iowa law.

2 4 3. The moneys distributed in accordance with this section
2 5 shall be used by communities for the purposes of enhancing
2 6 quality child care capacity in support of parent capability to
2 7 obtain or retain employment. The moneys shall be used with a
2 8 primary emphasis on low-income families and children from
2 9 birth to five years of age. Moneys shall be provided in a
2 10 flexible manner to communities, and shall be used to implement
2 11 strategies identified by the communities to achieve such
2 12 purposes. The strategies may include but are not limited to
2 13 developing capacity for regular child care, sick child care,
2 14 night shifts child care, and emergency child care; enhancing
2 15 linkages between the head start and early head start programs,
2 16 early childhood development programs, and child care
2 17 assistance programs; and implementing other strategies to
2 18 enhance access to child care. The moneys may be used to
2 19 either build capacity or for support of ongoing efforts. In
2 20 addition to the full-time equivalent positions funded in this
2 21 Act, 1.00 full-time equivalent position is authorized and the
2 22 department may use funding appropriated in this section for
2 23 provision of technical assistance and other support to
2 24 communities developing and implementing strategies with moneys
2 25 distributed in accordance with this section.

Requires the funds transferred to the Child Care and Development Block Grant be used for enhancing child care quality and capacity to assist primarily low-income families to retain employment, with emphasis on children from birth to age 5. Permits communities' strategies to include developing capacity for child care, sick child care, shift child care, and emergency child care; linking Head Start, preschool, and child care programs; or enhancing access to child care. Authorizes 1.00 FTE position for technical assistance and support to communities.

2 26 4. Moneys which are subject to this section which are not
2 27 distributed to a community empowerment area or otherwise
2 28 remain unobligated or unexpended at the end of the fiscal year
2 29 shall revert to the fund created in section 8.41 to be
2 30 available for appropriation by the general assembly in a
2 31 subsequent fiscal year.

Requires that unobligated or unexpended funds revert at the end of the fiscal year to the TANF Fund.

2 32 Sec. 2. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK
2 33 GRANT. There is appropriated from the fund created in section
2 34 8.41 to the department of human services for the fiscal year
2 35 beginning July 1, 2001, and ending June 30, 2002, from moneys

TANF FY 2002 Block Grant Fund appropriation.

3 1 received under the federal temporary assistance for needy
 3 2 families block grant pursuant to the federal Personal
 3 3 Responsibility and Work Opportunity Reconciliation Act of
 3 4 1996, Pub. L. No. 104–193, which are federally appropriated
 3 5 for the federal fiscal years beginning October 1, 1999, and
 3 6 ending September 30, 2000, beginning October 1, 2000, and
 3 7 ending September 30, 2001, and beginning October 1, 2001, and
 3 8 ending September 30, 2002, the following amounts, or so much
 3 9 thereof as is necessary, to be used for the purposes
 3 10 designated:

DETAIL: The federal government implemented Federal Welfare Reform on August 22, 1996. Federal Welfare Reform changed the funding for the FIP from a matching program to a block grant of federal funds. Unless changed by federal action, Iowa's grant will remain constant from federal fiscal year (FFY) 1998 to FFY 2002 at \$131,524,959 per year regardless of changes in caseload or costs.

3 11 Moneys appropriated in this section shall be used in
 3 12 accordance with the federal law making the funds available,
 3 13 applicable Iowa law, appropriations made from the general fund
 3 14 of the state in this Act for the purpose designated, and
 3 15 administrative rules adopted to implement the federal and Iowa
 3 16 law. If actual federal revenues credited to the fund created
 3 17 in section 8.41 through June 30, 2002, are less than the
 3 18 amounts appropriated in this section, the amounts appropriated
 3 19 shall be reduced proportionately and the department may reduce
 3 20 expenditures as deemed necessary by the department to meet the
 3 21 reduced funding level:

Requires that funds appropriated in this Section be used in accordance with federal and State laws and applicable administrative rules. Specifies that if actual federal funds are less than the amounts appropriated in this Section, the amounts appropriated shall be reduced proportionately.

3 22 1. To be credited to the family investment program account
 3 23 and used for assistance under the family investment program
 3 24 under chapter 239B:

TANF FY 2002 Block Grant appropriation for the FIP Account.

3 25 \$ 39,287,318

DETAIL: This is a decrease of \$4,748,565 compared to the FY 2001 estimated net appropriation due to continued decrease in the number of individuals receiving benefits under the Family Investment Program.

3 26 2. To be credited to the family investment program account
 3 27 and used for the job opportunities and basic skills (JOBS)
 3 28 program, and implementing family investment agreements, in
 3 29 accordance with chapter 239B:

TANF FY 2002 Block Grant appropriation for the Promise Jobs Program.

3 30 \$ 20,830,113

DETAIL: This is an increase of \$850,000 compared to the FY 2001 estimated net appropriation due to increased costs related to transportation.

3 31 3. For field operations:

TANF FY 2002 Block Grant appropriation for Field Operations.

3 32 \$ 12,885,790

DETAIL: This is an increase of \$15,375 compared to the FY 2001 estimated net appropriation.

3 33 4. For general administration:
3 34 \$ 3,238,614

TANF FY 2002 Block Grant appropriation for General Administration.

DETAIL: This is an increase of \$10,931 compared to the FY 2001 estimated net appropriation.

3 35 5. For local administrative costs:
4 1 \$ 2,122,982

TANF FY 2002 Block Grant appropriation for Local Administrative Costs.

DETAIL: This is a decrease of \$24,376 compared to the FY 2001 estimated net appropriation.

4 2 6. For state child care assistance:
4 3 \$ 28,638,329

TANF FY 2002 Block Grant appropriation for Child Care Assistance.

DETAIL: This is an increase of \$5,508,762 compared to the FY 2001 estimated net appropriation due to a projected increase in caseload and to allow the waiting list process to end effective June 30, 2001.

4 4 Of the funds appropriated in this subsection, \$200,000
4 5 shall be used for provision of educational opportunities to
4 6 registered child care home providers in order to improve
4 7 services and programs offered by this category of providers
4 8 and to increase the number of providers. The department may
4 9 contract with institutions of higher education or child care
4 10 resource and referral centers to provide the educational
4 11 opportunities. Allowable administrative costs under the
4 12 contracts shall not exceed 5 percent. The application for a
4 13 grant shall not exceed two pages in length.

Requires that the DHS use \$200,000 for training of registered child care home providers. Specifies requirements for funding the grants and the application form for the grant.

4 14 7. For emergency assistance:
4 15 \$ 2,846,432

TANF FY 2002 Block Grant appropriation for Emergency Assistance.

DETAIL: Combined with the General Fund appropriation in Section 5 of this Act, the FY 2002 TANF Block Grant appropriation increases total program funding by \$82,827 compared to the FY 2001 estimated net appropriation. The funding will allow the Emergency Assistance Program to continue through March 2002.

PG LN	House File 732	Explanation
4 16	8. For mental health and developmental disabilities	TANF FY 2002 Block Grant appropriation for Mental Health and
4 17	community services:	Developmental Disabilities Community Services.
4 18	..... \$ 4,349,266	DETAIL: This is a decrease of \$271,582 compared to the FY 2001
		estimated net appropriation for a reduction in the Social Service Block
		Grant.
4 19	9. For child and family services:	TANF FY 2002 Block Grant appropriation for Child and Family
4 20	..... \$ 23,096,571	Services.
		DETAIL: Includes a decrease of \$490,222 compared to the FY 2001
		estimated net appropriation for a reduction in the Social Services
		Block Grant.
4 21	10. For child abuse prevention:	TANF FY 2002 Block Grant appropriation for Child Abuse Prevention.
4 22	..... \$ 731,000	DETAIL: Maintains current level of funding.
4 23	11. For pregnancy prevention grants on the condition that	TANF FY 2002 Block Grant appropriation for Pregnancy Prevention
4 24	family planning services are funded:	Grants on the condition that family planning services are funded.
4 25	..... \$ 2,514,413	DETAIL: This is a decrease of \$3,064 compared to the FY 2001
		estimated net appropriation.
4 26	Pregnancy prevention grants shall be awarded to programs in	Requires the recipients of pregnancy prevention grants to meet certain
4 27	existence on or before July 1, 2001, if the programs are	requirements of comprehensiveness and demonstration of positive
4 28	comprehensive in scope and have demonstrated positive	outcomes. Requires that pregnancy prevention grants from the
4 29	outcomes. Grants shall be awarded to pregnancy prevention	Temporary Assistance for Needy Families (TANF) include the
4 30	programs which are developed after July 1, 2001, if the	requirement that sexual abstinence be emphasized. Specifies that
4 31	programs are comprehensive in scope and are based on existing	priority in awarding the grants should be given to programs in areas of
4 32	models that have demonstrated positive outcomes. Grants shall	the State which have the highest percentage of unplanned adolescent
4 33	comply with the requirements provided in 1997 Iowa Acts,	pregnancies of females between 13 and 18 years of age within the
4 34	chapter 208, section 14, subsections 1 and 2, including the	geographic area served by the grant.
4 35	requirement that grant programs must emphasize sexual	
5 1	abstinence. Priority in the awarding of grants shall be given	
5 2	to programs that serve areas of the state which demonstrate	
5 3	the highest percentage of unplanned pregnancies of females age	
5 4	13 or older but younger than age 18 within the geographic area	

5 5 to be served by the grant.

5 6 12. For technology needs and other resources necessary to
5 7 meet federal welfare reform reporting, tracking, and case
5 8 management requirements:
5 9 \$ 1,182,217

TANF FY 2002 Block Grant appropriation for federal welfare reform reporting, tracking, and case management technology and resource needs.

DETAIL: This is an increase of \$175,775 compared to the FY 2001 estimated net appropriation.

5 10 13. For supervised community treatment under child and
5 11 family services:
5 12 \$ 300,000

TANF FY 2002 Block Grant appropriation for supervised community treatment.

DETAIL: Maintains current level of funding.

5 13 14. For volunteers:
5 14 \$ 42,663

TANF FY 2002 Block Grant appropriation for Volunteers.

DETAIL: This is a decrease of \$2,664 compared to the FY 2001 estimated net appropriation, resulting in a reduction of support services.

5 15 15. For individual development accounts under chapter
5 16 541A:
5 17 \$ 250,000

TANF FY 2002 Block Grant appropriation for Individual Development Accounts.

DETAIL: This is an increase of \$50,000 compared to the FY 2001 estimated net appropriation.

5 18 16. For the healthy opportunities for parents to
5 19 experience success (HOPES) program administered by the Iowa
5 20 department of public health to target child abuse prevention:
5 21 \$ 200,000

TANF FY 2002 Block Grant appropriation for Healthy Opportunities for Parents to Experience Success (HOPES) Program.

DETAIL: This is a new appropriation for FY 2002.

5 22 [17. To be credited to the Iowa marriage initiative grant
5 23 fund created in section 234.45:
5 24 \$ 500,000

VETOED

TANF FY 2002 Block Grant appropriation for the Iowa Marriage Initiative Grant Fund.

DETAIL: This is a new appropriation for FY 2002.

5 25 a. The moneys credited to the Iowa marriage initiative
5 26 grant fund pursuant to this subsection are appropriated to the
5 27 department for the fiscal year beginning July 1, 2001, and
5 28 ending June 30, 2002, to be used in accordance with this

Requires the DHS to establish an Iowa Marriage Initiative Grant program to support marriage. Permits the DHS emergency rule-making authority for this Section.

5 29 subsection.

5 30 b. The department shall establish an Iowa marriage
5 31 initiative grant program to fund services to support marriage
5 32 and to encourage the formation and maintenance of two-parent
5 33 families that are secure and nurturing.

5 34 c. The program shall require that a grantee be a nonprofit
5 35 organization incorporated in this state with successful
6 1 experience in facilitating marriage promotion activities,
6 2 working with various faith-based organizations and the leaders
6 3 of the organizations, using media resources in promoting
6 4 marriage, making presentations to service and faith-based
6 5 organizations, and in raising private funding for activities
6 6 that support marriage.

6 7 d. The program activities funded by a grant shall include
6 8 but are not limited to working with individuals who are
6 9 authorized to solemnize a marriage under section 595.10 in
6 10 utilizing premarital diagnostic tools, to implement marriage
6 11 agreements developed by such individuals that provide for an
6 12 appropriate engagement period and premarital and postmarital
6 13 counseling, and to use volunteer mentors in program
6 14 activities.

6 15 e. Grants shall be awarded in a manner that results in
6 16 provision of services in an equal number of urban and rural
6 17 geographic areas. The department shall implement the grant
6 18 program so that the request for proposals is issued on or
6 19 before October 1, 2001, and so that any grants are awarded on
6 20 or before January 1, 2002. A grantee shall be required to
6 21 submit a quarterly financial report to the department and to
6 22 the legislative fiscal bureau and shall be subject to an
6 23 annual independent evaluation to assess accomplishment of the
6 24 purposes listed in paragraph "b".

6 25 f. The department shall provide a copy of the request for
6 26 proposals and shall submit a report concerning the proposals
6 27 received and grants awarded to those persons designated by
6 28 this Act to receive reports. The department may adopt
6 29 emergency rules to implement the provisions of this
6 30 subsection.]

Requires the grantee to be an Iowa non-profit organization with experience in marriage promotion and to have the ability to work with other interested organizations. Requires the grantee to submit quarterly financial reports to the DHS and the Legislative Fiscal Bureau (LFB). The grantee shall be the subject of an independent annual evaluation. Specifies the following:

1. Program activities to be funded by the grants.
2. Process for awarding the grants.
3. Request for Proposal (RFP) to be issued by October 1, 2001.
4. The DHS must issue a report regarding the activities.

VETOED: The Governor vetoed this Subsection, stating that he was unable to justify a new program as the funding for this program came from child care programs.

VETOED

6 31 18. [The department shall report on or before December 15,
6 32 2001, to the governor and to the persons designated by this
6 33 Act to receive reports providing a detailed analysis as to how
6 34 federal temporary assistance for needy families block grant
6 35 funding was expended during the previous fiscal year to
7 1 achieve the four purposes for the funding as outlined in 42
7 2 U.S.C. § 601(a). For each category of expenditure, the
7 3 analysis shall identify which of the four purposes was
7 4 addressed and the amount expended.]

Requires the DHS to issue a report by December 15, 2001, regarding the utilization of funds from the Temporary Assistance for Needy Families (TANF).

VETOED: The Governor vetoed the first paragraph of this Subsection, stating that this information is currently available without the need for an additional report.

7 5 Of the amounts appropriated in this section, \$11,612,112
7 6 for the fiscal year beginning July 1, 2001, shall be
7 7 transferred to the appropriation of the federal social
7 8 services block grant for that fiscal year.

Requires that \$11,612,112 of the federal TANF funds appropriated to this Section be transferred to the federal Social Services Block Grant appropriation.

DETAIL: This is a decrease of \$265,602 compared to the FY 2001 to replace federal funds received through the Social Services Block Grant.

7 9 Eligible funding available under the federal temporary
7 10 assistance for needy families block grant that is not
7 11 appropriated or not otherwise expended shall be considered
7 12 reserved for economic downturns and welfare reform purposes
7 13 and is subject to further state appropriation to support
7 14 families in their movement toward self-sufficiency.

Requires the unexpended federal TANF funds be considered reserved for economic downturns and for further welfare reform efforts.

7 15 Sec. 3. FAMILY INVESTMENT PROGRAM ACCOUNT.

7 16 1. Moneys credited to the family investment program (FIP)
7 17 account for the fiscal year beginning July 1, 2001, and ending
7 18 June 30, 2002, shall be used in accordance with the following
7 19 requirements:

Requires that the funds credited to the FIP account for FY 2002 be used as specified.

7 20 a. The department shall provide assistance in accordance
7 21 with chapter 239B.

Requires that assistance be provided in accordance with the FIP and Promise Jobs Program requirements in Chapter 239B, Code of Iowa.

DETAIL: Chapter 239B, Code of Iowa, specifies the conditions of eligibility for participation in the FIP, defines the duties of the DHS in administering the FIP, requires compliance with federal law, and outlines various provisions relating to fiscal and legal responsibility.

7 22 b. The department shall continue the special needs program
7 23 under the family investment program.

Requires the DHS to continue the Special Needs Program under the FIP.

DETAIL: The Special Needs Program pays 100.00% of the allowable school expenses and \$10.00 fees for guardians and conservators.

7 24 c. The department shall continue to comply with federal
7 25 welfare reform data requirements pursuant to the
7 26 appropriations made for that purpose.

Requires that the DHS implement Federal Welfare Reform data requirements.

DETAIL: An FY 2002 TANF Block Grant appropriation of \$1,182,217 for this purpose is contained in Section 2.12 of this Act.

7 27 d. The department shall continue to make entrepreneurial
7 28 training available to families receiving assistance under the
7 29 family investment program. The department may contract for
7 30 these services.

Requires the DHS to continue entrepreneurial training to assist families receiving FIP benefits, and permits the DHS to contract for service delivery.

7 31 e. (1) The department shall continue expansion of the
7 32 electronic benefit transfer program as necessary to comply
7 33 with federal requirements. Notwithstanding 1998 Iowa Acts,
7 34 chapter 1218, section 5, subsection 1, paragraph "d", 1999
7 35 Iowa Acts, chapter 203, section 5, subsection 1, paragraph
8 1 "d", and 2000 Iowa Acts, chapter 1228, section 4, subsection
8 2 1, paragraph "e", the target date for statewide implementation
8 3 of the program is October 1, 2002.

CODE: Requires the DHS to continue the expansion of the Electronic Benefits Transfer (EBT) Program.

DETAIL: Specifies statewide implementation by October 1, 2002.

8 4 [(2) It is the intent of the general assembly that the
8 5 electronic benefits transfer program shall include the
8 6 capability for child care service providers to submit billings
8 7 electronically and to receive payment through electronic funds
8 8 transfer, and the capability to include electronic
8 9 verification of medical assistance eligibility.]

VETOED

Specifies that it is the intent of the General Assembly that the DHS expand the Electronic Benefits System (EBT). Permits a child care provider to submit billings and receive payments electronically and allows for electronic verification of medical assistance eligibility.

VETOED: The Governor vetoed this numbered paragraph stating that resources to implement it were not provided.

8 10 (3) It is the intent of the general assembly that
 8 11 electronic funds transfer system equipment provided by a
 8 12 retailer participating in the program shall be utilized to the
 8 13 extent practicable for electronic benefits transfer
 8 14 transactions for the purchase of food from the retailer.

Specifies that it is the intent of the General Assembly that electronic funds transfer system equipment provided by a participating retailer to purchase food be utilized for this purpose.

8 15 2. Notwithstanding 2000 Iowa Acts, chapter 1226, section
 8 16 5, subsection 4, moneys allocated for electronic benefit
 8 17 transfer development pursuant to 2000 Iowa Acts, chapter 1226,
 8 18 section 5, subsection 2, paragraph "e", subparagraph (9),
 8 19 which remain unobligated or unexpended at the close of the
 8 20 fiscal year shall not revert to the general fund of the state
 8 21 but shall remain available for the purposes designated in the
 8 22 succeeding fiscal year.

CODE: Requires the DHS to carry forward unused federal TANF funds to FY 2003 for the purposes designated with Electronic Benefits Transfer Development.

8 23 3. The department may use a portion of the moneys credited
 8 24 to the family investment account under this section, as
 8 25 necessary for salaries, support, maintenance, and
 8 26 miscellaneous purposes for not more than the following full-
 8 27 time equivalent positions which are in addition to any other
 8 28 full-time equivalent positions authorized by this Act:
 8 29 FTEs 8.00

Authorizes the DHS to use a portion of the moneys appropriated to the FIP Account for 8.00 FTE positions.

DETAIL: Maintains the same number of FTE positions as in FY 2001.

8 30 4. The department may transfer funds in accordance with
 8 31 section 8.39, either federal or state, to or from the child
 8 32 care appropriations made for the fiscal year beginning July 1,
 8 33 2001, if the department deems this would be a more effective
 8 34 method of paying for JOBS program child care, to maximize
 8 35 federal funding, or to meet federal maintenance of effort
 9 1 requirements.

Permits the DHS to transfer funds either to or from the State Child Care Assistance Program appropriation if the DHS determines it would be a more effective method of paying for the Promise Jobs Program child care, maximizing federal funding, or meeting federal maintenance of effort requirements.

9 2 5. Moneys appropriated in this Act and credited to the
 9 3 family investment program account for the fiscal year
 9 4 beginning July 1, 2001, and ending June 30, 2002, are
 9 5 allocated as follows:

Requires that TANF Block Grant funds appropriated to the FIP Account be allocated as specified.

DETAIL: The TANF Block Grant funds allocated in Section 2.1 replace federal matching funds previously received under the Aid to Families with Dependent Children (AFDC) federal funding sources.

PG LN	House File 732	Explanation
9 6	a. For the family development and self-sufficiency grant	Permits the DHS to allocate \$5,697,825 of FY 2002 TANF funds for
9 7	program as provided under section 217.12:	the Family Development and Self-Sufficiency (FaDSS) Grant Program.
9 8	..... \$ 5,697,825	DETAIL: Maintains current level of funding.
9 9	(1) Of the funds allocated for the family development and	Specifies that a maximum of 5.00% of the allocation is to be spent on
9 10	self-sufficiency grant program in this lettered paragraph, not	administration of Family Development and Self-Sufficiency (FaDSS)
9 11	more than 5 percent of the funds shall be used for the	Program grants.
9 12	administration of the grant program.	
9 13	(2) Based upon the annual evaluation report concerning	Permits the Family Development and Self-Sufficiency (FaDSS)
9 14	each grantee funded by previously appropriated funds and	Council to renew grants based upon the annual evaluation, with
9 15	through the solicitation of additional grant proposals, the	emphasis on the grantee's use of local funding and expansion of
9 16	family development and self-sufficiency council may use the	program services.
9 17	allocated funds to renew or expand existing grants or award	
9 18	new grants. In utilizing the funding allocated in this	
9 19	lettered paragraph, the council shall give consideration, in	
9 20	addition to other criteria established by the council, to a	
9 21	grantee's intended use of local funds with a grant and to	
9 22	whether approval of a grant proposal would expand the	
9 23	availability of the program's services.	
9 24	(3) Family development and self-sufficiency grantees shall	Requires that Family Development and Self-Sufficiency (FaDSS)
9 25	not supplant previous local funding with state or federal	grantees not supplant previous local funding with State or federal
9 26	funds.	funds.
9 27	(4) The department shall continue to implement the family	Requires continued statewide expansion of the Family Development
9 28	development and self-sufficiency grant program statewide	and Self-Sufficiency (FaDSS) Program during FY 2002.
9 29	during FY 2001-2002.	
9 30	b. For income maintenance reengineering:	Allocates \$700,000 of FY 2002 TANF funds for an income
9 31	..... \$ 700,000	maintenance determination processes reengineering project.
		DETAIL: Maintains current level of funding.
9 32	c. For the diversion program and incentive grants as	Allocates \$3,200,000 of FY 2002 TANF funds for the FIP Diversion
9 33	follows:	Subaccount.

9 34 (1) For the diversion subaccount of the family investment
9 35 program account:
10 1 \$ 3,200,000

DETAIL: Maintains current level of funding.

10 2 Moneys allocated to the diversion subaccount shall be used
10 3 to continue the pilot initiative of providing incentives to
10 4 assist families who meet income eligibility requirements for
10 5 the family investment program in obtaining or retaining
10 6 employment, to assist participant families in overcoming
10 7 barriers to obtaining employment, and to assist families in
10 8 stabilizing employment and in reducing the likelihood of the
10 9 family returning to the family investment program. Incentives
10 10 may be provided in the form of payment or services. The
10 11 department may limit the availability of the pilot initiative
10 12 on the basis of geographic area or numbers of individuals
10 13 provided with incentives. The department shall attempt to
10 14 assess and screen individuals who would most likely benefit
10 15 from the services. The department shall continue the
10 16 diversion initiative in the fiscal year 2001–2002. In
10 17 addition to the full–time equivalent positions authorized in
10 18 this Act, 1.00 FTE is authorized and the department may use
10 19 funds allocated for the diversion program to facilitate
10 20 community investment in welfare reform and to support
10 21 continuation of the diversion program. The department may
10 22 grant diversion moneys to the level of the entity operating an
10 23 initiative. The department may adopt additional eligibility
10 24 criteria as necessary for compliance with federal law and for
10 25 screening those families who would be most likely to become
10 26 eligible for the family investment program if diversion
10 27 incentives would not be provided.

Requires that the FIP Diversion Subaccount moneys be used to provide incentives to FIP-eligible families to obtain or retain employment and minimize chances of returning to the FIP. Defines criteria for diversion projects and allows additional criteria to be defined as necessary to identify applicants likely to benefit from diversion projects and to comply with federal regulations. Requires the Department to continue the diversion initiative in FY 2002.

10 28 (2) For continuation of innovative strategies on a
10 29 statewide or pilot project basis for supporting job retention,
10 30 family structure, or both, including services to noncustodial
10 31 parents and young parents:
10 32 \$ 650,000

Allocates \$650,000 of FY 2002 TANF funds for innovative strategies for supporting job retention, family structure, or both.

DETAIL: Maintains current level of funding.

10 33 (3) Of the moneys allocated in subparagraph (2), not more
10 34 than \$250,000 shall be used to develop or continue community-
10 35 level parental obligation pilot projects. A pilot project
11 1 shall be operated with the goal of assisting parents who are
11 2 living apart in meeting their parental obligations and in
11 3 supporting their children. A pilot project may also seek to
11 4 prevent the separation of families by including families at
11 5 risk of separation in project services. Any pilot project
11 6 shall maximize the use of existing community resources for
11 7 family counseling, legal services, mediation, job training and
11 8 job skills development, substance abuse treatment and
11 9 prevention, health maintenance, and personal mentoring. Local
11 10 communities shall also be encouraged to provide financial
11 11 resources.

11 12 (a) Notwithstanding any other provision of law to the
11 13 contrary, the department shall develop procedures for the
11 14 pilot projects to expedite all of the following:
11 15 (i) The establishment and adjustment of support
11 16 obligations, with the consent of both parents, in a manner
11 17 which may deviate from the child support guidelines.
11 18 (ii) Changes in income withholding orders based on
11 19 individual case circumstances.
11 20 (iii) Satisfaction of a portion of support amounts owed to
11 21 the state based on cooperation and compliance by the
11 22 noncustodial parent with project requirements.
11 23 (iv) Adjustment of visitation and shared custody
11 24 arrangements in a manner which enhances the ability of each
11 25 parent to meet parental obligations.

11 26 (b) The department shall adopt rules for the development,
11 27 operation, and monitoring of a project; to establish the
11 28 minimum required amount of community support; to establish
11 29 expedited procedures; and to establish other criteria and
11 30 procedures as appropriate.

Requires that a maximum of \$250,000 of the monies allocated for innovative strategies be used to develop or continue pilot projects to assist parents in meeting child support obligations. Pilot projects may also attempt to prevent family separations. Requires the projects to maximize use of existing community service resources and encourage local financial contributions.

CODE: Requires the DHS to promote the following elements in any child support pilot project:

1. Establishment and adjustment of support obligations as agreed to by both parents.
2. Revision of income withholding orders on a case-by-case basis.
3. Satisfaction of portions of child support payments owed to the State in exchange for a noncustodial parent's compliance with pilot project requirements.
4. Adjustment of visitation and shared custody arrangements as necessary to maximize each parent's ability to meet parental obligations.

Requires the DHS to adopt rules to implement child support pilot projects and to specify the minimum required amount of community support.

11 31 (c) The department shall use the funds authorized in this
11 32 subparagraph to employ 1.00 full-time equivalent position to
11 33 manage the pilot project or projects. The department shall
11 34 also use the authorized funds to employ other full-time
11 35 equivalent positions or to provide services, as necessary, to
12 1 assist in the coordination, development, and operation of
12 2 community-level pilot projects and to achieve the expedited
12 3 procedures established. Any full-time equivalent positions
12 4 authorized in this subparagraph subdivision are in addition to
12 5 any other full-time equivalent positions authorized by law.

Requires the DHS employ 1.00 FTE position to coordinate child support pilot projects. Also requires the DHS to use the authorized funds to employ other FTE positions or to provide services as necessary to assist in the development and operation of pilot projects at the local level.

12 6 (4) Of the moneys allocated in subparagraph (2), not more
12 7 than \$200,000 shall be used to continue to study the impact
12 8 that moving unemployed family investment program parents into
12 9 employment has on the well-being of the children, the parent,
12 10 and the family. The department shall include in this well-
12 11 being study a method of actual contact with the families and
12 12 children, and shall consider broad-based impacts, such as
12 13 educational achievement, health status, housing stability,
12 14 family stability, and use of supportive social services. The
12 15 department shall also seek funding through foundations and the
12 16 federal government in order to supplement the funding for this
12 17 study. The results of the study shall be submitted to the
12 18 persons required by this Act to receive reports.

Requires that a maximum of \$200,000 of the moneys allocated for innovative strategies be used to study the impact of employment of parents on the well-being of FIP families and children. Requires the DHS to seek additional funding for the study and submit a report of the findings to designated persons.

12 19 (5) Of the moneys allocated in subparagraph (2), not more
12 20 than \$100,000 shall be used for providing additional incentive
12 21 payments to contracted agencies who demonstrate success at
12 22 completing well-being visits for families terminated from the
12 23 family investment program under a limited benefit plan. The
12 24 department shall use these funds to increase payments to
12 25 agencies who complete a higher percentage of well-being
12 26 visits, who achieve a significant percentage of visits in a
12 27 face-to-face format, or who are able to observe and interact
12 28 with the children during a significant percentage of visits.

Requires that a maximum of \$100,000 of the moneys allocated for innovative strategies shall be used to provide incentive payments to agencies successfully completing well-being visits with families terminated from the FIP. Agencies receiving incentives include those who demonstrate the following:

1. High percentage of well-being visits completed.
2. Significant percentage of well-being visits conducted in a face-to-face format.
3. Significant percentage of well-being visits permitting observation of and interaction with the children.

12 29 d. For the food stamp employment and training program:

12 30 \$ 150,000

Establishes an allocation from the Family Investment Program of \$150,000 for food stamp employment and training.

DETAIL: This is a decrease of \$100,000 compared to the FY 2001 estimated net appropriation.

12 31 6. Of the child support collections assigned under the
12 32 family investment program, an amount equal to the federal
12 33 share of support collections shall be credited to the child
12 34 support recovery appropriation. Of the remainder of the
12 35 assigned child support collections received by the child
13 1 support recovery unit, a portion shall be credited to the
13 2 family investment program account and a portion may be used to
13 3 increase recoveries.

Requires that the federal share of child support collections recovered by the State be credited to the Child Support Recovery Unit. The remainder of support collected is credited to the FIP account and the DHS is permitted to use a portion to increase recoveries.

13 4 7. The department may adopt emergency administrative rules
13 5 for the family investment, food stamp, and medical assistance
13 6 programs, if necessary, to comply with federal requirements.
13 7 Prior to adoption of the rules, the department shall consult
13 8 with the welfare reform council and the chairpersons and
13 9 ranking members of the joint appropriations subcommittee on
13 10 human services.

Permits the DHS to adopt emergency administrative rules for the FIP, Food Stamp Program, and Medical Assistance Program. Requires consultation with various parties prior to adoption of rule changes. Requires consulting with the Welfare Reform Council and the Chairpersons and Ranking Members of the Joint Appropriations Subcommittee on Human Services.

13 11 8. The department may continue the initiative to
13 12 streamline and simplify the employer verification process for
13 13 applicants, participants, and employers in the administration
13 14 of the department's programs. The department may contract
13 15 with companies collecting data from employers when the
13 16 information is needed in the administration of these programs.
13 17 The department may limit the availability of the initiative on
13 18 the basis of geographic area or number of individuals.

Permits the DHS to continue to simplify the employer verification process for applicants, participants, and employers; to contract for data collection; and to limit the scope of the project.

13 19 9. The department may adopt emergency rules to increase
13 20 the mileage rate reimbursement paid to JOBS program
13 21 participants above the current rate of 16 cents per mile.
13 22 10. The department may adopt emergency rules to implement
13 23 2001 Iowa Acts, Senate File 198, that extends the time

Permits the DHS emergency rule-making authority for the Promise Jobs Program for increasing the mileage reimbursement. Permits the DHS emergency rule-making authority for extending time limits for funding post-secondary education.

13 24 limitation for funding of postsecondary education for family
 13 25 investment program participants, if enacted by the Seventy-
 13 26 ninth General Assembly, 2001 Session.

13 27 Sec. 4. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is
 13 28 appropriated from the general fund of the state to the
 13 29 department of human services for the fiscal year beginning
 13 30 July 1, 2001, and ending June 30, 2002, the following amount,
 13 31 or so much thereof as is necessary, to be used for the purpose
 13 32 designated:
 13 33 To be credited to the family investment program account and
 13 34 used for family investment program assistance under chapter
 13 35 239B:
 14 1 \$ 36,150,000

General Fund appropriation to the DHS for the FIP, to be credited to the Family Investment Program Account.

DETAIL: This is an increase of \$604,262 compared to the FY 2001 estimated net appropriation. The appropriation for the FIP also contains funding for the Promise Jobs Program. The appropriation maintains current payment levels (\$361.00 per month for a family with two persons and \$426.00 for a family with three persons).

The appropriation reflects the following changes compared to estimated net FY 2001:

1. An increase of \$199,568 to fund a technology initiative previously financed through the Technology Initiative Account. The technology initiative is necessary to meet Temporary Assistance for Needy Families (TANF) data management and reporting requirements.
2. An increase of \$422,314 to complete development of the Electronic Benefits Transfer (EBT) Program and begin statewide implementation for the FIP and the Food Stamps Program.
3. An increase of \$100,000 to provide funding for a \$0.07 per transaction retailer fee for the EBT.
4. An increase of \$313,949 to meet maintenance of effort requirements.
5. A decrease of \$91,360 due to increased child support recoveries credited to the FIP.
6. A decrease of \$200,000 to convert 49.00 contract staff within the Child Support Recovery Unit to State FTE positions.
7. A decrease of \$100,000 for Food Stamps Employment and Training.
8. A decrease of \$40,209 due to a general reduction.

14 2 1. The department of workforce development, in
 14 3 consultation with the department of human services, shall
 14 4 continue to utilize recruitment and employment practices to

Requires the Department of Workforce Development, in consultation with the DHS, to continue recruitment and employment practices for current and former FIP recipients.

14 5 include former and current family investment program
14 6 recipients.

14 7 2. The department of human services shall continue to work
14 8 with the department of workforce development and local
14 9 community collaborative efforts to provide support services
14 10 for family investment program participants. The support
14 11 services shall be directed to those participant families who
14 12 would benefit from the support services and are likely to have
14 13 success in achieving economic independence.

Requires that the DHS work with the Department of Workforce Development and local community collaborative efforts in providing support services for FIP recipients.

14 14 3. Of the funds appropriated in this section, \$9,564,352
14 15 is allocated for the JOBS program.

General Fund allocation of \$9,564,352 for the Promise Jobs Program.

DETAIL: Maintains current level of funding.

14 16 4. The department shall continue to work with religious
14 17 organizations and other charitable institutions to increase
14 18 the availability of host homes, referred to as second chance
14 19 homes or other living arrangements under the federal Personal
14 20 Responsibility and Work Opportunity Reconciliation Act of
14 21 1996, Pub. L. No. 104-193, § 103. The purpose of the homes or
14 22 arrangements is to provide a supportive and supervised living
14 23 arrangement for minor parents receiving assistance under the
14 24 family investment program who, under chapter 239B, may receive
14 25 assistance while living in an alternative setting other than
14 26 with their parent or legal guardian.

Requires the DHS to work with religious organizations or charitable institutions to increase the availability of host (Second Chance) homes. Specifies the purpose of the homes.

14 27 Sec. 5. EMERGENCY ASSISTANCE. There is appropriated from
14 28 the general fund of the state to the department of human
14 29 services for the fiscal year beginning July 1, 2001, and
14 30 ending June 30, 2002, the following amount, or so much thereof
14 31 as is necessary, to be used for the purpose designated:
14 32 For emergency assistance to families with dependent
14 33 children for homeless prevention programs:
14 34 \$ 10,000

General Fund appropriation to the DHS for the Emergency Assistance Program.

DETAIL: Maintains current level of funding. This is not a mandated program. The Emergency Assistance Program provides up to \$500 per year to families with children under the age of 18 or with children age 18 who are still in high school. The average grant amount was \$409.50 in FY 2000. The budget assumes serving 6,552 families in

FY 2002. Assistance may include rent, house payments, utilities, purchase or repair of heating equipment, and rent or utility deposits. Once the annual appropriation is exhausted, the Program is terminated for the remainder of the fiscal year. In FY 2001, the appropriation was exhausted by the end of April 2001.

14 35 1. The emergency assistance provided for in this section
15 1 and federal moneys appropriated for this purpose in this Act
15 2 shall be available beginning October 1 of the fiscal year and
15 3 shall be provided only if all other publicly funded resources
15 4 have been exhausted. Specifically, emergency assistance is
15 5 the program of last resort and shall not supplant assistance
15 6 provided by the low-income home energy assistance program
15 7 (LIHEAP), county general relief, and veterans affairs
15 8 programs. The department shall establish a \$500 maximum
15 9 payment, per family, in a twelve-month period. The emergency
15 10 assistance includes, but is not limited to, assisting people
15 11 who face eviction, potential eviction, or foreclosure, utility
15 12 shutoff or fuel shortage, loss of heating energy supply or
15 13 equipment, homelessness, utility or rental deposits, or other
15 14 specified crisis which threatens family or living
15 15 arrangements. The emergency assistance shall be available to
15 16 migrant families who would otherwise meet eligibility
15 17 criteria. The department may contract for the administration
15 18 and delivery of the program. The program shall be terminated
15 19 when funds are exhausted.

15 20 2. For the fiscal year beginning July 1, 2001, the
15 21 department shall continue the process for the state to receive
15 22 refunds of utility and rent deposits, including any accrued
15 23 interest, for emergency assistance recipients which were paid
15 24 by persons other than the state. The department shall also
15 25 receive refunds, including any accrued interest, of assistance
15 26 paid with funding available under this program. The refunds
15 27 received by the department under this subsection shall be
15 28 deposited with the moneys of the appropriation made in this
15 29 section and used as additional funds for the emergency

Requires the DHS to use Emergency Assistance Program funds only in cases where all other publicly funded resources, such as county general relief, have been exhausted. The assistance shall not supplant the Low-Income Home Energy Assistance Program, county general relief, and veterans affairs programs. Specifies that the Emergency Assistance Program will begin operation October 1, 2001. For FY 2002, the maximum grant level continues at \$500 per year. Permits the DHS to contract for administration and delivery of this Program. Requires that the Program be terminated when funds are exhausted.

CODE: Requires the DHS to continue the process of retaining refunds of utility and rent deposits and cash assistance, including accrued interest, to be returned to the State under the Emergency Assistance Program. Specifies that any funds returned not revert but be available for expenditure in the following fiscal year.

DETAIL: The DHS estimates minimal carryforward from FY 2001 into FY 2002, primarily from return of utility deposits with interest earned.

15 30 assistance program. Notwithstanding section 8.33, moneys
 15 31 received by the department under this subsection which remain
 15 32 after the emergency assistance program is terminated and state
 15 33 or federal moneys in the emergency assistance account which
 15 34 remain unobligated or unexpended at the close of the fiscal
 15 35 year shall not revert to the general fund of the state but
 16 1 shall remain available for expenditure when the program
 16 2 resumes operation on October 1 in the succeeding fiscal year.

16 3 3. Of the funds appropriated in this section, \$10,000 is
 16 4 allocated to the community voice mail program to continue the
 16 5 existing program. The funds shall be made available beginning
 16 6 July 1, 2001. The community voice mail program shall submit
 16 7 semiannual reports to the department which, at a minimum,
 16 8 specify, on a county basis, the unduplicated number of
 16 9 households participating in the program for the previous six-
 16 10 month period. The report shall be submitted no later than the
 16 11 last business day of the month immediately following the end
 16 12 of the six-month period.

16 13 Sec. 6. CHILD SUPPORT RECOVERY. There is appropriated
 16 14 from the general fund of the state to the department of human
 16 15 services for the fiscal year beginning July 1, 2001, and
 16 16 ending June 30, 2002, the following amount, or so much thereof
 16 17 as is necessary, to be used for the purposes designated:
 16 18 For child support recovery, including salaries, support,
 16 19 maintenance, and miscellaneous purposes and for not more than
 16 20 the following full-time equivalent positions:
 16 21 \$ 6,700,000
 16 22 FTEs 321.40

16 23 1. The director of human services, within the limitations
 16 24 of the moneys appropriated in this section, or moneys
 16 25 transferred from the family investment program account for
 16 26 this purpose, shall establish new positions and add employees
 16 27 to the child support recovery unit if the director determines
 16 28 that both the current and additional employees together can

Allocates \$10,000 of the Emergency Assistance appropriation to continue the Community Voice Mail Program. Requires the Program to submit semiannual reports to the DHS detailing the number of individuals served through the Program.

DETAIL: Maintains current level of funding.

General Fund appropriation to the DHS for the Child Support Recovery Unit.

DETAIL: A decrease of \$117,702 and an increase of 49.00 FTE positions compared to the FY 2001 estimated net appropriation.

1. A decrease of \$68,177 due to a 1.00% operational reduction.
2. An increase of 49.00 FTE positions compared to the FY 2001 to convert contract staff to State staff.
3. A decrease of \$49,525 for a general reduction.

Requires the Director of the DHS to add employees for child support enforcement if cost effective.

16 29 reasonably be expected to maintain or increase net state
16 30 revenue at or beyond the budgeted level.

16 31 2. Nonpublic assistance application fees and other user
16 32 fees received by the child support recovery unit are
16 33 appropriated and shall be used for the purposes of the child
16 34 support recovery program. The director of human services may
16 35 add positions within the limitations of the amount
17 1 appropriated for salaries and support for the positions.

Appropriates nonpublic assistance application and federal tax refund offset fees to the Child Support Recovery Unit. Permits the DHS to add positions if the fees collected are sufficient to pay the cost of those positions.

17 2 3. The director of human services, in consultation with
17 3 the department of management and the legislative fiscal
17 4 committee, is authorized to receive and deposit state child
17 5 support incentive earnings in the manner specified under
17 6 applicable federal requirements.

Permits the Director of the DHS, in consultation with the Department of Management and the Legislative Fiscal Committee, to receive federal child support incentive payments consistent with applicable federal requirements.

17 7 4. a. The director of human services may establish new
17 8 positions and add state employees to the child support
17 9 recovery unit or contract for delivery of services if the
17 10 director determines the employees are necessary to replace
17 11 county-funded positions eliminated due to termination,
17 12 reduction, or nonrenewal of a chapter 28E contract. However,
17 13 the director must also determine that the resulting increase
17 14 in the state share of child support recovery incentives
17 15 exceeds the cost of the positions or contract, the positions
17 16 or contract are necessary to ensure continued federal funding
17 17 of the program, or the new positions or contract can
17 18 reasonably be expected to recover at least twice the amount of
17 19 money necessary to pay the salaries and support for the new
17 20 positions or the contract will generate at least 200 percent
17 21 of the cost of the contract.

Permits the Director of the DHS to establish new positions, by either adding State employees or contracting for delivery of services, if necessary to replace eliminated county-funded positions. Specifies that employees are only to be added if any of the following criteria are met:

1. The State share of recoveries exceeds the cost of the positions.
2. The addition of positions are necessary to continue federal funding.
3. The positions or contracts are expected to recover twice the cost of the additional staff or the contract.

17 22 b. Employees in full-time positions that transition from
17 23 county government to state government employment under this
17 24 subsection are exempt from testing, selection, and appointment
17 25 provisions of chapter 19A and from the provisions of
17 26 collective bargaining agreements relating to the filling of

Specifies that full-time FTE positions that transition from county government to State government employees are exempt from specified hiring process requirements.

17 27 vacant positions.

17 28 5. If initiated by the judicial branch, the child support
17 29 recovery unit shall continue to work with the judicial branch
17 30 to determine the feasibility of implementing a pilot project
17 31 utilizing a court-appointed referee for judicial
17 32 determinations on child support matters. The extent and
17 33 location of any pilot project shall be jointly developed by
17 34 the judicial branch and the child support recovery unit.

Requires the Child Support Recovery Unit to continue to work with the Judicial Branch to determine the feasibility of a pilot project using a court-appointed referee for determination of child support awards, if the pilot project is initiated by the Judicial Branch.

17 35 6. Surcharges paid by obligors and received by the unit as
18 1 a result of the referral of support delinquency by the child
18 2 support recovery unit to any private collection agency are
18 3 appropriated to the department and shall be used to pay the
18 4 costs of any contracts with the collection agencies.

Specifies that surcharges paid by obligors and received by the Child Support Recovery Unit are appropriated to the DHS and are to be used to pay the costs of contracts with private collection agencies.

18 5 7. The department shall expend up to \$51,000, including
18 6 federal financial participation, for the fiscal year beginning
18 7 July 1, 2001, for a child support public awareness campaign.
18 8 The department and the office of the attorney general shall
18 9 cooperate in continuation of the campaign. The public
18 10 awareness campaign shall emphasize, through a variety of media
18 11 activities, the importance of maximum involvement of both
18 12 parents in the lives of their children as well as the
18 13 importance of payment of child support obligations.

Requires the DHS to expend no more than \$51,000 during FY 2002 for a child support public awareness campaign. The funding limitation includes federal funds. The campaign is to be operated in cooperation with the Office of the Attorney General and is to emphasize parental involvement and financial support.

DETAIL: This continues the child support public awareness campaign that the Office of the Attorney General has managed in previous years.

18 14 8. Federal access and visitation grant moneys shall be
18 15 issued directly to private not-for-profit agencies that
18 16 provide services designed to increase compliance with the
18 17 child access provisions of court orders, including but not
18 18 limited to neutral visitation site and mediation services.

Specifies the process for utilization of receipts from federal Access and Visitation Grants.

18 19 Sec. 7. MEDICAL ASSISTANCE. There is appropriated from
18 20 the general fund of the state to the department of human
18 21 services for the fiscal year beginning July 1, 2001, and
18 22 ending June 30, 2002, the following amount, or so much thereof
18 23 as is necessary, to be used for the purpose designated:

General Fund appropriation to the DHS for the Medical Assistance Program.

DETAIL: This is a net increase of \$12,487,972 compared to the FY 2001 estimated net appropriation. The increase is due to:

18 24 For medical assistance reimbursement and associated costs
 18 25 as specifically provided in the reimbursement methodologies in
 18 26 effect on June 30, 2001 except as otherwise expressly
 18 27 authorized by law, including reimbursement for abortion
 18 28 services, which shall be available under the medical
 18 29 assistance program only for those abortions which are
 18 30 medically necessary:
 18 31 \$413,150,000

1. An increase of \$997,987 due to an increase in payments to health maintenance organizations for increases in eligibles and services.
2. An increase of \$8,681,833 due to an increase in payments to inpatient settings for increases in eligibles and services.
3. An increase of \$8,278,960 due to an increase in payments to outpatient settings for increases in eligibles and services.
4. An increase of \$3,048,409 due to an increase in payments to physicians for increases in eligibles and services.
5. An increase of \$4,580,794 due to an increase in payments for prescription eligibles and services.
6. An increase of \$7,465,054 due to increases to various providers for increases in eligibles and services.
7. An increase of \$1,148,412 due to an anticipated 20.00% premium increase in the Health Insurance Premium Payment (HIPP) Program.
8. An increase of \$338,080 due to increases to miscellaneous provider groups for increases in eligibles and services.
9. An increase of \$481,019 due to cost increases in case management services.
10. An increase of \$1,542,147 to fund services for increased participants in Medicaid Buy-In programs. The DHS anticipates an increase of 6,242 eligibles, with 4,014 being participants in the Medicaid for Employed Persons with Disabilities (MEPD) Program.
11. An increase of \$5,680,664 for waiver services. It is estimated that 12,120 Medicaid recipients will be served through the waiver programs at DHS.
12. A decrease of \$223,571 due to reduced cost per case for Intermediate Care Facilities for the Mentally Retarded (ICF/MR) services for children.
13. A decrease of \$296,635 due to increased recoveries.
14. An increase of \$240,000 due to an increase in contract costs for a fiscal agent with third party collections.
15. An increase of \$262,155 to adjust the FY 2001 budget for medical transportation. Mileage rates increased from \$0.24 per mile to \$0.29 per mile in FY 2001.
16. A decrease of \$13,210,000 due to utilization of Tobacco Settlement funds to offset General Fund need.

17. A decrease of \$436,003 due to a higher than anticipated federal Social Security cost of living increase.
18. A decrease of \$1,020,051 due to a revised need estimate.
19. A decrease of \$3,000,000 due to increased federal reimbursement for hospital disproportionate share program.
20. A decrease of \$1,500,000 due to court settlement with former fiscal agent as an offset to General Fund.
21. A decrease of \$2,103,536 due to increased participation in the Health Insurance Premium Payment Program.
22. A decrease of \$160,000 due to reduced funding to critical access hospitals.
23. A decrease of \$1,067,353 due to changes in drug reimbursements.
24. A decrease of \$1,309,442 due to changes in the current reimbursement methodology and a 3.00% reduction for pharmaceutical dispensing fees.
25. A decrease of \$5,362,776 due to a 3.00% across-the-board reduction for fees to various Medicaid providers.
26. An increase of \$182,000 due to increases in the State share of the Medical Rehabilitation Options related to State Cases.
27. A decrease of \$1,618,720 due to adjustments to pharmaceutical costs.
28. An increase of \$200,000 for Child Protection Center reimbursements.
29. An increase of \$668,545 due to a general increase.

- 18 32 1. Medically necessary abortions are those performed under
18 33 any of the following conditions:
- 18 34 a. The attending physician certifies that continuing the
18 35 pregnancy would endanger the life of the pregnant woman.
- 19 1 b. The attending physician certifies that the fetus is
19 2 physically deformed, mentally deficient, or afflicted with a
19 3 congenital illness.
- 19 4 c. The pregnancy is the result of a rape which is reported
19 5 within 45 days of the incident to a law enforcement agency or
19 6 public or private health agency which may include a family
19 7 physician.
- 19 8 d. The pregnancy is the result of incest which is reported

Specifies the conditions under which the Medical Assistance Program reimburses providers for abortion services.

DETAIL: This is the same language that has been in the DHS appropriations Act for several years.

19 9 within 150 days of the incident to a law enforcement agency or
19 10 public or private health agency which may include a family
19 11 physician.
19 12 e. Any spontaneous abortion, commonly known as a
19 13 miscarriage, if not all of the products of conception are
19 14 expelled.

19 15 2. Notwithstanding section 8.39, the department may
19 16 transfer funds appropriated in this section to a separate
19 17 account established in the department's case management unit
19 18 for expenditures required to provide case management services
19 19 for mental health, mental retardation, and developmental
19 20 disabilities services under medical assistance which are
19 21 jointly funded by the state and county, pending final
19 22 settlement of the expenditures. Funds received by the case
19 23 management unit in settlement of the expenditures shall be
19 24 used to replace the transferred funds and are available for
19 25 the purposes for which the funds were appropriated in this
19 26 section.

19 27 3. a. The county of legal settlement shall be billed for
19 28 50 percent of the nonfederal share of the cost of case
19 29 management provided for adults, day treatment, and partial
19 30 hospitalization in accordance with sections 249A.26 and
19 31 249A.27, and 100 percent of the nonfederal share of the cost
19 32 of care for adults which is reimbursed under a federally
19 33 approved home and community-based waiver that would otherwise
19 34 be approved for provision in an intermediate care facility for
19 35 persons with mental retardation, provided under the medical
20 1 assistance program. The state shall have responsibility for
20 2 the remaining 50 percent of the nonfederal share of the cost
20 3 of case management provided for adults, day treatment, and
20 4 partial hospitalization. For persons without a county of
20 5 legal settlement, the state shall have responsibility for 100
20 6 percent of the nonfederal share of the costs of case
20 7 management provided for adults, day treatment, partial
20 8 hospitalization, and the home and community-based waiver

CODE: Permits the DHS to transfer Medical Assistance Program funds to a separate account to pay for case management services for eligible clients, pending final settlement of the expenditures.

DETAIL: This language is intended to assist the DHS with cash flow problems resulting from the provision of case management services.

Requires the amount for Mental Health, Mental Retardation, Developmental Disabilities, and Chronic Mental Illness services to be billed to the county of legal settlement. Limits county and State obligations to Medical Assistance Program reimbursement rates. Includes individual eligibility criteria for those individuals 17 years of age and younger.

20 9 services. The case management services specified in this
20 10 subsection shall be billed to a county only if the services
20 11 are provided outside of a managed care contract.

20 12 b. The state shall pay the entire nonfederal share of the
20 13 costs for case management services provided to persons 17
20 14 years of age and younger who are served in a medical
20 15 assistance home and community-based waiver program for persons
20 16 with mental retardation.

20 17 c. Medical assistance funding for case management services
20 18 for eligible persons 17 years of age and younger shall also be
20 19 provided to persons residing in counties with child welfare
20 20 decategorization projects implemented in accordance with
20 21 section 232.188, provided these projects have included these
20 22 persons in their service plan and the decategorization project
20 23 county is willing to provide the nonfederal share of costs.

20 24 d. When paying the necessary and legal expenses of
20 25 intermediate care facilities for persons with mental
20 26 retardation (ICFMR), the cost payment requirements of section
20 27 222.60 shall be considered fulfilled when payment is made in
20 28 accordance with the medical assistance payment rates
20 29 established for ICFMRs by the department and the state or a
20 30 county of legal settlement is not obligated for any amount in
20 31 excess of the rates.

20 32 e. The department shall revise the provisions of the home
20 33 and community-based waiver for persons with brain injury to
20 34 eliminate the eligibility requirement that a person must have
20 35 been a resident of a medical institution for at least thirty
21 1 consecutive days at the time of initial application. Unless a
21 2 county has paid or is paying for the nonfederal share of the
21 3 cost of a person's home and community-based waiver services or
21 4 ICFMR placement under the county's mental health, mental
21 5 retardation, and developmental disabilities services fund, or
21 6 unless a county of legal settlement would become liable for
21 7 the costs of services at the ICFMR level of care for a person
21 8 due to the person reaching the age of majority, the state
21 9 shall pay the nonfederal share of the costs of an eligible
21 10 person's services under the home and community-based waiver

21 11 for persons with brain injury.

21 12 4. The department shall utilize not more than \$60,000 of
21 13 the funds appropriated in this section to continue the
21 14 AIDS/HIV health insurance premium payment program as
21 15 established in 1992 Iowa Acts, Second Extraordinary Session,
21 16 Chapter 1001, section 409, subsection 6. Of the funds
21 17 allocated in this subsection, not more than \$5,000 may be
21 18 expended for administrative purposes.

Requires the DHS to use a maximum of \$60,000 of the funds appropriated for Medical Assistance to continue the Acquired Immune Deficiency Syndrome/Human Immunodeficiency Virus (AIDS/HIV) Health Insurance Premium Payment as established during the Second Extraordinary Session in 1992.

DETAIL: Maintains current level of funding.

21 19 5. Of the funds appropriated to the Iowa department of
21 20 public health for substance abuse grants, \$950,000 for the
21 21 fiscal year beginning July 1, 2001, shall be transferred to
21 22 the department of human services for an integrated substance
21 23 abuse managed care system.

Transfers \$950,000 from the Substance Abuse Grants appropriation within the Department of Public Health to the Medical Assistance Program in the DHS for continuation of the Managed Substance Abuse Treatment Program.

DETAIL: The Managed Substance Abuse Treatment Program was funded for the first time in FY 1996. Maintains current level of funding.

21 24 6. In administering the medical assistance home and
21 25 community-based waiver for persons with physical disabilities,
21 26 the total number of openings for persons with physical
21 27 disabilities served at any one time shall be limited to the
21 28 number approved in the waiver by the secretary of the United
21 29 States department of health and human services. The openings
21 30 shall be available on a first-come, first-served basis.

Requires that the number of persons served at one time through the Home and Community-Based Waiver be limited to the number approved by the federal Department of Health and Human Services. Specifies openings be filled on a first-come, first-serve basis.

DETAIL: Legislative intent language in previous years limited waiver slots to individuals residing in an institution for 30 consecutive days.

21 31 7. The department of human services, in consultation with
21 32 the Iowa department of public health and the department of
21 33 education, shall continue the program to utilize the early and
21 34 periodic screening, diagnosis, and treatment (EPSDT) funding
21 35 under medical assistance, to the extent possible, to implement
22 1 the screening component of the EPSDT program through the
22 2 school system. The department may enter into contracts to
22 3 utilize maternal and child health centers, the public health
22 4 nursing program, or school nurses in implementing this
22 5 provision.

Requires the DHS, in consultation with the Department of Public Health and the Department of Education, to continue to utilize Medical Assistance funding for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) through schools. Permits the DHS to enter into contracts with Maternal and Child Health Centers, the Public Health Nursing Program, or school nurses for implementation.

VETOED

22 6 [8. The department shall continue the case study for
22 7 outcome-based performance standards for programs serving
22 8 persons with mental retardation or other developmental
22 9 disabilities proposed pursuant to 1994 Iowa Acts, chapter
22 10 1170, section 56.]

Requires the DHS to continue the case study for outcome-based performance standards for programs serving persons with mental retardation or other developmental disabilities.

VETOED: The Governor vetoed this Subsection, stating that the study has been completed and delivered to the Legislature.

22 11 9. The department shall continue the medical assistance
22 12 home and community-based services waiver to allow children
22 13 with mental retardation, who would otherwise require ICF/MR
22 14 care, to be served in out-of-home settings of up to eight beds
22 15 which meet standards established by the department. Up to
22 16 \$1,487,314 of the funds appropriated in this section may be
22 17 used for the costs of the waiver.

Requires the DHS to continue a Home and Community-Based Waiver to serve in group arrangements those children with mental retardation who would otherwise require care in an Intermediate Care Facility for the Mentally Retarded (ICF/MR). Specifies that if the Waiver is not approved, a maximum of \$1,487,314 may be transferred to the Child and Family Services budget unit for group foster care.

22 18 10. The department shall continue working with county
22 19 representatives in aggressively implementing the
22 20 rehabilitation option for services to persons with chronic
22 21 mental illness under the medical assistance program, and
22 22 county funding shall be used to provide the match for the
22 23 federal funding, except for individuals with state case
22 24 status, for whom state funding shall provide the match.

Requires the DHS to work with county representatives in aggressively implementing the Medical Assistance rehabilitation option for individuals with chronic mental illness, and to use county funding as a match for federal funds except when the service recipient qualifies as a State Case.

22 25 11. If the health care financing administration approves a
22 26 waiver request from the department, the department shall
22 27 provide a period of 24 months of guaranteed eligibility for
22 28 medical assistance family planning services, regardless of the
22 29 change in circumstances of a woman who was a medical
22 30 assistance recipient when a pregnancy ended.

Contingent upon federal approval, requires the DHS to provide 24 months of family planning services to women who were Medical Assistance eligibles at the time their pregnancies ended.

22 31 12. The department shall aggressively pursue options for
22 32 providing medical assistance or other assistance to
22 33 individuals with special needs who become ineligible to
22 34 continue receiving services under the early and periodic,
22 35 screening, diagnosis, and treatment program under the medical
23 1 assistance program due to becoming 21 years of age, who have
23 2 been approved for additional assistance through the

Requires the DHS to aggressively pursue options for assisting special need individuals who become ineligible for continued services under the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program due to turning 21 years of age. The individuals are to have been approved for additional assistance through the DHS's exception to policy process but have health care needs exceeding available funding.

23 3 department's exception to policy provisions, but who have
23 4 health care needs in excess of the funding available through
23 5 the exception to policy process.

23 6 13. Of the moneys appropriated in this section, \$200,000
23 7 shall be used to increase reimbursement of child protection
23 8 centers.

Requires the DHS to increase reimbursements to child protection centers and allocates \$200,000 for this purpose.

23 9 14. The department shall adopt rules to provide that an
23 10 individual applying for the medically needy program is not
23 11 required to reapply for the program unless the individual's
23 12 income as disclosed in the initial application changes. The
23 13 rules shall also provide that to the greatest extent possible,
23 14 the application and continuing eligibility requirements for
23 15 all medical assistance-related programs shall be consistent.

Requires the DHS to adopt rules relating to the Medically Needy Program regarding the consistent application of eligibility requirements.

23 16 15. If federal funding is received, the department may
23 17 participate in a federal home telecare pilot program intended
23 18 to manage health care needs of subpopulations of lowans and
23 19 specifically including subpopulations of lowans who require
23 20 high utilization of health care services and represent a
23 21 disproportionate share of consumption of health care services.
23 22 The program shall be implemented as a collaboration of public,
23 23 private, and academic participants and may include the
23 24 participation of the department of human services, the
23 25 department of elder affairs, and the Iowa department of public
23 26 health, with the intent of showing cost savings in proactively
23 27 managing diseases of selective populations through the
23 28 utilization of communications technology and management
23 29 protocols. The program may direct telecare services to
23 30 persons with diagnoses of specific nonacute, chronic illnesses
23 31 which may include but are not limited to chronic obstructive
23 32 pulmonary disease, congestive heart disease, diabetes, and
23 33 asthma. The telecare program may provide a proactive call
23 34 center staffed by appropriate, licensed health care providers
23 35 equipped with disease management protocols. For the purposes
24 1 of this section, "telecare" shall include but is not limited

Permits the DHS to participate in a federal home telecare pilot program funded with federal funds. Specifies medical conditions a participant must have to be included in the pilot, parties and organizations to be involved in the program development and implementation, and scope of services to be provided, including a proactive call center.

24 2 to the interactive delivery of diagnostic, clinical,
 24 3 consultative, data, and educational services utilizing a
 24 4 transmission network which may include but is not limited to
 24 5 the live transmission of audio and video data.

24 6 [16. The department, in cooperation with the drug
 24 7 utilization review commission, shall review the use of
 24 8 nonsedating antihistamines for children and shall submit a
 24 9 report to the governor and the general assembly on or before
 24 10 November 15, 2001, regarding such use and providing a
 24 11 recommendation regarding the application of prior
 24 12 authorization requirements to these drugs.]

VETOED

Requires the DHS to work with the Drug Utilization Review Commission to review use of nonsedating antihistamines for children and to report to the Governor and General Assembly by November 15, 2001, with recommendations.

VETOED: The Governor vetoed this Subsection, stating that this review has taken place and a further review would not be productive.

24 13 Sec. 8. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There
 24 14 is appropriated from the general fund of the state to the
 24 15 department of human services for the fiscal year beginning
 24 16 July 1, 2001, and ending June 30, 2002, the following amount,
 24 17 or so much thereof as is necessary, to be used for the purpose
 24 18 designated:

24 19 For administration of the health insurance premium payment
 24 20 program, including salaries, support, maintenance, and
 24 21 miscellaneous purposes, and for not more than the following
 24 22 full-time equivalent positions:
 24 23 \$ 600,000
 24 24 FTEs 22.00

General Fund appropriation to the DHS for the Health Insurance Premium Payment (HIPP) Program.

DETAIL: This is an increase of \$161,616 and 5.00 FTE positions compared to the FY 2001 estimated net appropriation to increase participation in the Health Insurance Premium Payment Program that creates an additional General Fund reduction of \$2,103,536 in the FY 2002 Medical Assistance Program budget request.

24 25 Sec. 9. CHILDREN'S HEALTH INSURANCE PROGRAM. There is
 24 26 appropriated from the general fund of the state to the
 24 27 department of human services for the fiscal year beginning
 24 28 July 1, 2001, and ending June 30, 2002, the following amount,
 24 29 or so much thereof as is necessary, to be used for the purpose
 24 30 designated:

24 31 For maintenance of the healthy and well kids in Iowa (HAWK-
 24 32 I) program pursuant to chapter 514I for receipt of federal
 24 33 financial participation under Title XXI of the federal Social
 24 34 Security Act, which creates the state children's health
 24 35 insurance program:

General Fund appropriation to the DHS for the Children's Health Insurance Program (CHIP).

DETAIL: This is an increase of \$4,715,492 compared to the FY 2001 estimated net appropriation. The change includes:

1. An increase of \$6,000,000 due to one-time FY 2001 carry-forward of unexpended FY 2000 funds in the Healthy and Well Kids in Iowa (HAWK-I) Trust Fund.
2. A decrease of \$2,000,000 due to anticipated carry-forward of unexpended FY 2001 funds in the HAWK-I Trust Fund.

25 1 \$ 8,400,000

3. A decrease of \$200,000 to offset the General Fund appropriation with Tobacco Settlement funds.
4. A decrease of \$1,680,008 to adjust the FY 2001 Medicaid expansion budget to reflect revised average monthly enrollment projections of 6,157 children.
5. An increase of \$3,287,205 for anticipated increased enrollment in the HAWK-I Program. The FY 2002 budget assumes an average monthly enrollment of 20,373 children in the HAWK-I component of the Children's Health Insurance Premium (CHIP).
6. An increase of \$258,921 for anticipated enrollment of infants in the CHIP. The FY 2002 budget assumes an average monthly enrollment of 154 infants.
7. An increase of \$80,700 to replace reduced cost sharing.
8. An increase of \$9,772, for increased administration expenditures.
9. An increase of \$1,300,000 to restore funding deappropriated in FY 2001.
10. A decrease of \$2,300,000 due to a revised estimate of carryover into FY 2002.
11. A decrease of \$41,098 due to a general reduction.

25 2 1. The department may transfer funds appropriated in this
 25 3 section to be used for the purpose of expanding health care
 25 4 coverage to children under the medical assistance program.
 25 5 The department shall provide periodic updates to the general
 25 6 assembly of expenditures of funds appropriated in this
 25 7 section.

Permits transfer of funds for expanded Medical Assistance eligibility for children. Requires periodic expenditure reports to the General Assembly.

25 8 [2. The department shall provide a report to the HAWK-I
 25 9 board and to the general assembly by January 15, 2002,
 25 10 specifying the actual cost reported by each participating
 25 11 insurer of providing monthly coverage to eligible children
 25 12 under the children's health insurance program.]

VETOED

Requires the DHS to submit a report by January 15, 2002, to the HAWK-I Board and the General Assembly, specifying insurers' reported actual costs of providing coverage to children enrolled in the Children's Health Insurance Program.

VETOED: The Governor vetoed this Subsection, stating that this would require the DHS to take on additional work at a time when funding has been reduced.

25 13 3. Moneys in the HAWK-I trust fund are appropriated and
 25 14 shall be used to offset any program costs for the fiscal year
 25 15 beginning July 1, 2001, and ending June 30, 2002.

Appropriates funds in the HAWK-I Trust Fund to offset the cost of the Children's Health Insurance Program in FY 2002.

VETOED

25 16 [4. The department of human services shall seek a waiver
 25 17 from the health care financing administration of the United
 25 18 States department of health and human services to permit
 25 19 families with children who are eligible for medical assistance
 25 20 to elect to participate under the HAWK-I program in lieu of
 25 21 participation in the medical assistance program. If the
 25 22 waiver is approved, the department shall implement the
 25 23 provision.]

Requires the DHS to seek a federal waiver to permit families with children eligible for Medical Assistance to choose between the Medical Assistance Program and the HAWK-I Program.

DETAIL: Program enrollment is currently determined by income levels. Children living in families with incomes below 133.00% of the federal poverty level are enrolled in the Medical Assistance Program. Children living in families with incomes between 133.00% and 200.00% of the federal poverty level are enrolled in the HAWK-I Program.

VETOED: The Governor vetoed this Subsection, stating that similar language was included in previous legislation and the proposal was submitted by the DHS and rejected by the federal government.

25 24 Sec. 10. MEDICAL CONTRACTS. There is appropriated from
 25 25 the general fund of the state to the department of human
 25 26 services for the fiscal year beginning July 1, 2001, and
 25 27 ending June 30, 2002, the following amount, or so much thereof
 25 28 as is necessary, to be used for the purpose designated:
 25 29 For medical contracts:
 25 30 \$ 8,700,000

General Fund appropriation to the DHS for Medical Contracts.

DETAIL: This is an increase of \$273,718 and 8.00 FTE positions compared to the FY 2001 estimated net appropriation. This funds the contractual costs of processing claims from the Medical Assistance Program. The change includes:

1. A net increase of \$372,945 in the base budget for fiscal agent administrative services, peer review of nursing facility admissions, disability determinations, and various other contracted services.
2. An increase of \$823,330 due to an increase in claims processed, a 3.50% rate increase per claim processed, and a change in the State match rate.
3. A decrease of \$500,000 and an increase of 8.00 FTE positions to convert fiscal agent contract staff to State FTE positions. This conversion allows maximization of federal matching funds.
4. A decrease of \$350,000 due to reduction in case reviews to be requested for medical necessity.
5. A decrease of \$72,557 due to a general reduction.

VETOED

25 31 [1. The department shall receive input and recommendations
 25 32 from the chairpersons and ranking members of the joint
 25 33 appropriations subcommittee on human services prior to
 25 34 entering into or extending any managed care contract for
 25 35 mental health or substance abuse services.]

Requires the DHS to seek input from Chairpersons and Ranking Members of the Human Services Appropriations Subcommittee on managed care contracts.

VETOED: The Governor vetoed this Subsection, stating that a process for securing contracts currently exists and that the language is not necessary.

26 1 2. The director of human services may establish up to 8.00
 26 2 full-time equivalent positions to be assigned to the medical
 26 3 review unit and pharmacy unit of the fiscal agent if the
 26 4 director determines the employees are necessary to replace
 26 5 fiscal agent positions of the professional medical review
 26 6 staff and pharmacy staff, contingent upon termination of those
 26 7 staff positions with the fiscal agent. Employees in full-time
 26 8 positions that transition from private employment to state
 26 9 government employment under this unnumbered paragraph are
 26 10 exempt from testing, selection, and appointment provisions of
 26 11 chapter 19A and from provisions of collective bargaining
 26 12 agreements relating to the filling of positions.

Permits the DHS to establish up to 8.00 FTE positions to replace fiscal agent staff positions within the medical review and pharmacy units. Specifies that employees that transition private employment to State employment under this provision are exempt from the usual hiring provisions of the Department of Personnel.

DETAIL: This provision is expected to result in estimated savings of \$500,000 to the General Fund.

26 13 In any managed care contract for mental health or substance
 26 14 abuse services entered into or extended by the department on
 26 15 or after July 1, 2001, the request for proposals shall provide
 26 16 for coverage of dual diagnosis mental health and substance
 26 17 abuse treatment provided at the state mental health institute
 26 18 at Mount Pleasant. To the extent possible, the department
 26 19 shall also amend any such contract existing on July 1, 2001,
 26 20 to provide for such coverage.

Requires that a managed care contract for mental health or substance abuse services by the Department of Human Services include coverage of dual diagnosis treatment at the Mental Health Institute at Mt. Pleasant.

DETAIL: This same language was required for FY 2001.

26 21 Sec. 11. STATE SUPPLEMENTARY ASSISTANCE. There is
 26 22 appropriated from the general fund of the state to the
 26 23 department of human services for the fiscal year beginning
 26 24 July 1, 2001, and ending June 30, 2002, the following amount,
 26 25 or so much thereof as is necessary, to be used for the
 26 26 purposes designated:
 26 27 For state supplementary assistance, funeral assistance, and
 26 28 the medical assistance home and community-based services
 26 29 waiver rent subsidy program:
 26 30 \$ 19,550,000

General Fund appropriation to the DHS for the State Supplementary Assistance Program.

DETAIL: This is a decrease of \$435,747 compared to the FY 2001 estimated net appropriation. This is not a federally mandated program. It is intended to supplement the federal Supplemental Security Income Program to meet special needs of the aged, blind, and disabled. The change includes:

1. An increase of \$328,761 to increase the maximum reimbursement rates for Residential Care Facilities by 2.61% effective January 1, 2002. The maximum reimbursement rate will increase from \$24.50 to \$25.14 per recipient per day.
2. An increase of \$155,140 to increase the maximum reimbursement rates for In-Home Health Related Care by 2.61% effective January 1, 2002. The maximum reimbursement rate will increase from \$471.06 to \$483.31 per recipient per month.
3. A decrease of \$478,334 due to decreased caseload. Average monthly eligibles are expected to decrease from 6,682 in FY 2001 to 6,464 in FY 2002.
4. A decrease of \$423,208 due to a higher than anticipated increase in the federal cost of living adjustment for the Supplemental Security Income Subsidy.
5. A decrease of \$18,106 due to a general reduction.

26 31 1. The department shall increase the personal needs
26 32 allowance for residents of residential care facilities by the
26 33 same percentage and at the same time as federal supplemental
26 34 security income and federal social security benefits are
26 35 increased due to a recognized increase in the cost of living.
27 1 The department may adopt emergency rules to implement this
27 2 subsection.

Requires the DHS to increase the personal needs allowance of residential care facilities residents at the same rate and time as federal Supplemental Security Income (SSI) and Social Security benefits are increased. Permits the DHS to adopt emergency rules for implementation.

27 3 2. If during the fiscal year beginning July 1, 2001, the
27 4 department projects that state supplementary assistance
27 5 expenditures for a calendar year will not meet the federal
27 6 pass-along requirement specified in Title XVI of the federal
27 7 Social Security Act, section 1618, as codified in 42 U.S.C. §
27 8 1382g, the department may take actions including but not
27 9 limited to increasing the personal needs allowance for
27 10 residential care facility residents and making programmatic
27 11 adjustments or upward adjustments of the residential care
27 12 facility or in-home health-related care reimbursement rates
27 13 prescribed in this Act to ensure that federal requirements are
27 14 met. The department may adopt emergency rules to implement
27 15 the provisions of this subsection.

Permits the DHS to adjust rates for State Supplementary Assistance to meet federal maintenance of effort requirements. Permits the DHS to adopt emergency rules for implementation.

27 16 3. The department may use up to \$75,000 of the funds
 27 17 appropriated in this section for a rent subsidy program for
 27 18 adult persons to whom all of the following apply:
 27 19 a. Are receiving assistance under a medical assistance
 27 20 home and community-based services (HCBS) waiver.
 27 21 b. Were discharged from a medical institution in which
 27 22 they have resided or were at risk of institutional placement.
 27 23 Within available funding and demonstrated need, the department
 27 24 may make subsidy funds available to children receiving
 27 25 services under a HCBS waiver for individuals with mental
 27 26 retardation in residential-based supported community living
 27 27 and HCBS waiver-eligible adults meeting criteria in paragraph
 27 28 "a" and this paragraph at any time on or after July 1, 1995.

Permits the DHS to use up to \$75,000 of the State Supplementary Assistance appropriation as a rent subsidy to recipients of Home and Community-Based Waiver services; persons who were discharged from a medical institution; individuals at risk of institutional placement; or children in residential-based supported community living. Requires that the goal of the rent subsidy be to allow individuals currently in an institution to move into a community living arrangement.

27 29 The goal of the subsidy program shall be to encourage and
 27 30 assist in enabling persons who currently reside in a medical
 27 31 institution to move to a community living arrangement. An
 27 32 eligible person may receive assistance in meeting their rental
 27 33 expense and, in the initial two months of eligibility, in
 27 34 purchasing necessary household furnishings and supplies. The
 27 35 program shall be implemented so that it does not meet the
 28 1 federal definition of state supplementary assistance and will
 28 2 not impact the federal pass-along requirement specified in
 28 3 Title XVI of the federal Social Security Act, section 1618, as
 28 4 codified in 42 U.S.C. § 1382g.

Specifies the goal of the Rent Subsidy Program and requires that it not be subject to the conditions of the federal definition for State Supplementary Assistance Program.

28 5 Sec. 12. CHILD CARE ASSISTANCE. There is appropriated
 28 6 from the general fund of the state to the department of human
 28 7 services for the fiscal year beginning July 1, 2001, and
 28 8 ending June 30, 2002, the following amount, or so much thereof
 28 9 as is necessary, to be used for the purpose designated:
 28 10 For child care programs:
 28 11 \$ 5,050,752

General Fund appropriation to the DHS for the Child Day Care Assistance Program.

DETAIL: Maintains the current level of funding.

28 12 1. a. Of the funds appropriated in this section,
28 13 \$4,414,111 shall be used for state child care assistance in
28 14 accordance with section 237A.13.

Requires that \$4,414,111 of the Child Care Assistance appropriation be used for low-income employed lowans.

28 15 b. During the 2001–2002 fiscal year, the moneys deposited
28 16 in the child care credit fund created in section 237A.28 are
28 17 appropriated to the department to be used for state child care
28 18 assistance in accordance with section 237A.13, in addition to
28 19 the moneys allocated for that purpose in paragraph "a".

Requires the DHS to use funds deposited in the Child Day Care Credit Fund for State Child Care Assistance.

DETAIL: A total of \$2,700,000 is expected to be transferred from the Fund by the Department of Revenue and Finance during FY 2002.

28 20 2. Nothing in this section shall be construed or is
28 21 intended as, or shall imply, a grant of entitlement for
28 22 services to persons who are eligible for assistance due to an
28 23 income level consistent with the waiting list requirements of
28 24 section 237A.13. Any state obligation to provide services
28 25 pursuant to this section is limited to the extent of the funds
28 26 appropriated in this section.

Specifies that the Child Care Assistance appropriation is not an entitlement and the State obligation to provide services is limited to the extent of funds available.

28 27 3. Of the funds appropriated in this section, \$636,641 is
28 28 allocated for the statewide program for child care resource
28 29 and referral services under section 237A.26.

Requires that \$636,641 be allocated for the statewide Child Day Care Resource and Referral Program.

DETAIL: Maintains the current allocation level.

28 30 4. The department may use any of the funds appropriated in
28 31 this section as a match to obtain federal funds for use in
28 32 expanding child care assistance and related programs. For the
28 33 purpose of expenditures of state and federal child care
28 34 funding, funds shall be considered obligated at the time
28 35 expenditures are projected or are allocated to the
29 1 department's regions. Projections shall be based on current
29 2 and projected caseload growth, current and projected provider
29 3 rates, staffing requirements for eligibility determination and
29 4 management of program requirements including data systems
29 5 management, staffing requirements for administration of the
29 6 program, contractual and grant obligations and any transfers
29 7 to other state agencies, and obligations for decategorization

Permits funds appropriated for child care to be used as matching funds for federal grants. Specifies that funds are obligated when expenditures are projected or allocated to the DHS regions.

DETAIL: This matching permission was also in effect for FY 2001.

29 8 or innovation projects.

29 9 Sec. 13. JUVENILE INSTITUTIONS. There is appropriated
 29 10 from the general fund of the state to the department of human
 29 11 services for the fiscal year beginning July 1, 2001, and
 29 12 ending June 30, 2002, the following amounts, or so much
 29 13 thereof as is necessary, to be used for the purposes
 29 14 designated:

29 15 1. For operation of the Iowa juvenile home at Toledo:
 29 16 \$ 6,707,500
 29 17 FTEs 140.54

General Fund appropriation to the DHS for the Iowa Juvenile Home at Toledo.

DETAIL: This is an increase of \$174,165 and 4.00 FTE positions compared to the FY 2001 estimated net appropriation. The change includes:

1. An increase of \$149,148 for inflation.
2. An increase of \$13,216 and 2.00 FTE positions for vocational instructors.
3. A decrease of \$66,957 for a general decrease.
4. A decrease of \$8,742 for rounding.
5. An increase of \$62,500 and 2.00 FTE positions for security staff.
6. An increase of \$25,000 for parking lot improvements.

29 18 [It is the intent of the general assembly that beginning in
 29 19 the fiscal year commencing on July 1, 2002, the Iowa juvenile
 29 20 home at Toledo will serve only females. The department shall
 29 21 develop a plan which includes options for relocating the males
 29 22 at the Iowa juvenile home at Toledo. The options shall
 29 23 include but are not limited to developing a child in need of
 29 24 assistance program for males at the state training school at
 29 25 Eldora.]

VETOED

Specifies the intent of the General Assembly regarding the Iowa Juvenile Home at Toledo serving only female residents during FY 2003. Specifies options for the DHS to consider.

VETOED: The Governor vetoed this paragraph, indicating that the DHS had studied the issue before under legislative directive and no funding has been provided for the action to take place.

29 26 [The moneys appropriated in this subsection include funding
 29 27 for a parking lot project developed in cooperation with the
 29 28 city of Toledo and for two additional security guard staff
 29 29 positions.]

VETOED

Specifies that funds from the appropriation for the Juvenile Home at Toledo be used for a parking lot project and security staff.

DETAIL: The appropriation includes \$25,000 for this one-time cost.

29 30 2. For operation of the state training school at Eldora:
 29 31 \$ 10,870,000
 29 32 FTEs 229.53

VETOED: The Governor vetoed this paragraph, indicating that the funds provided for the parking lot and for additional security staff would be better utilized for services that directly affect Iowa children and families. The Home will retain the funds.

General Fund appropriation to the DHS for the State Training School at Eldora.

DETAIL: This is an increase of \$60,740 and no change in FTE positions compared to the FY 2001 estimated net appropriation. The change includes:

1. An increase of \$181,434 for inflation.
2. A decrease of \$109,907 for a general reduction.
3. A decrease of \$10,787 for rounding.

29 33 3. During the fiscal year beginning July 1, 2001, the
 29 34 population levels at the state juvenile institutions shall not
 29 35 exceed the population guidelines established under 1990 Iowa
 30 1 Acts, chapter 1239, section 21, as adjusted for additional
 30 2 beds developed at the institutions.

Requires that population levels at the State juvenile institutions not exceed the adjusted population guidelines established by the General Assembly in 1990.

30 3 4. A portion of the moneys appropriated in this section
 30 4 shall be used by the state training school and by the Iowa
 30 5 juvenile home for grants for adolescent pregnancy prevention
 30 6 activities at the institutions in the fiscal year beginning
 30 7 July 1, 2001.

Requires that the institutions spend an unspecified portion of the appropriations for adolescent pregnancy prevention activities.

30 8 5. Within the amounts appropriated in this section, the
 30 9 department may transfer funds as necessary to best fulfill the
 30 10 needs of the institutions provided for in the appropriation.

Permits the DHS to reallocate funds between the two institutions as needed to meet the needs of the facilities.

DETAIL: The Juvenile Home at Toledo is budgeted for 102 residents, and the Training School at Eldora is budgeted for 209 residents.

VETOED

30 11 [6. If the department receives notice from the department
 30 12 of inspections and appeals or any other entity that certifies
 30 13 a juvenile institution's compliance with certification
 30 14 requirements or determines compliance with regulatory
 30 15 requirements, that a juvenile institution has been found or
 30 16 cited for being out of compliance with a requirement, the
 30 17 department shall report the notice to those persons designated
 30 18 by this Act to receive reports. The report shall be made
 30 19 within thirty days of the date the notice was received by the
 30 20 department.]

Requires the DHS to provide various entities notice when a juvenile institution receives a citation from the Department of Inspections and Appeals or other entity regarding compliance with a certification or regulatory requirement within 30 days of the report to the Department.

VETOED: The Governor vetoed this Subsection, indicating that the information is already available to the public.

30 21 Sec. 14. CHILD AND FAMILY SERVICES. There is appropriated
 30 22 from the general fund of the state to the department of human
 30 23 services for the fiscal year beginning July 1, 2001, and
 30 24 ending June 30, 2002, the following amount, or so much thereof
 30 25 as is necessary, to be used for the purpose designated:
 30 26 For child and family services:
 30 27 \$106,000,000

General Fund appropriation to the DHS for Child and Family Services.

DETAIL: This is a decrease of \$2,788,161 compared to the FY 2001 estimated net appropriation. The changes in allocations and caseloads compared to estimated FY 2001 include:

1. An increase of \$468,477 due to fewer children being eligible for federal funding.
2. An increase of \$266,491 due to a decrease in the federal match rate.
3. An increase of \$1,467,653 for an increase in subsidized adoptions.
4. An increase of \$1,116,785 to provide subsidies of 70.00% of the United States Department of Agriculture (USDA) estimated cost to raise a child for subsidized adoptions and foster care.
5. An increase of \$45,000 for child abuse training.
6. An decrease of \$147,000 to eliminate the State match for the Safe and Stable Families Grant.
7. A decrease of \$65,470 for reimbursement to the Psychiatric Medical Institutions for Children.
8. A decrease of \$2,467,000 from independent living, family preservation, and family foster care expenditures.
9. A decrease of \$1,083,880 from delinquency programs.
10. A decrease of \$1,200,000 to eliminate wraparound services.
11. A decrease of \$28,735 from quality assurance activities.
12. A decrease of \$121,060 to eliminate a mediation permanency project.

- 13. A decrease of \$44,750 from adoption recruitment activities.
- 14. A decrease of \$211,397 to eliminate the Family to Family Program.
- 15. A decrease of \$700,000 from female day treatment services.
- 16. A decrease of \$83,275 for rounding.

30 28 1. The department may transfer funds appropriated in this
30 29 section as necessary to pay the nonfederal costs of services
30 30 reimbursed under medical assistance or the family investment
30 31 program which are provided to children who would otherwise
30 32 receive services paid under the appropriation in this section.
30 33 The department may transfer funds appropriated in this section
30 34 to the appropriations in this Act for general administration
30 35 and for field operations for resources necessary to implement
31 1 and operate the services funded in this section.

Permits the DHS to transfer funds appropriated for Child and Family Services, General Administration, or Field Operations for resources needed to develop, implement, and operate the child welfare initiative.

31 2 2. a. Of the funds appropriated in this section, up to
31 3 \$28,137,020 is allocated as the statewide expenditure target
31 4 under section 232.143 for group foster care maintenance and
31 5 services.

Specifies that up to \$28,137,020 of this appropriation be allocated for group care services and maintenance costs.

DETAIL: This is an increase of \$372,276 compared to the FY 2001 allocation due to changes in the federal match rate and the expected number of children eligible for federal funding.

31 6 b. If at any time after September 30, 2001, annualization
31 7 of a region's current expenditures indicates a region is at
31 8 risk of exceeding its group foster care expenditure target
31 9 under section 232.143 by more than five percent, the
31 10 department and juvenile court services shall examine all group
31 11 foster care placements in that region in order to identify
31 12 those which might be appropriate for termination. In
31 13 addition, any aftercare services believed to be needed for the
31 14 children whose placements may be terminated shall be
31 15 identified. The department and juvenile court services shall
31 16 initiate action to set dispositional review hearings for the
31 17 placements identified. In such a dispositional review
31 18 hearing, the juvenile court shall determine whether needed
31 19 aftercare services are available and whether termination of
31 20 the placement is in the best interest of the child and the

Requires that the group foster care expenditure target be reviewed under certain conditions. Review hearings are required when determined appropriate.

31 21 community.

31 22 c. (1) Of the funds appropriated in this section, not
31 23 more than \$6,987,000 is allocated as the state match funding
31 24 for psychiatric medical institutions for children.

Prohibits the DHS from spending more than \$6,987,000 funding for Psychiatric Medical Institutions for Children (PMICs).

DETAIL: This is a decrease of \$73,104 compared to the FY 2001 allocation due to changes in the federal match rate and projected FY 2002 utilization.

31 25 (2) The department may transfer all or a portion of the
31 26 amount allocated in this lettered paragraph for psychiatric
31 27 medical institutions for children (PMICs) to the appropriation
31 28 in this Act for medical assistance.

Permits the funds allocated for the Psychiatric Medical Institutions for Children to be transferred to the Medical Assistance Program.

31 29 d. Of the funds allocated in this subsection, \$1,354,063
31 30 is allocated as the state match funding for 50 highly
31 31 structured juvenile program beds. If the number of beds
31 32 provided for in this lettered paragraph is not utilized, the
31 33 remaining funds allocated may be used for group foster care.

Allocates \$1,354,063 to provide a match for 50 highly structured juvenile program (boot camp) beds.

DETAIL: This is a decrease of \$51,525 compared to the FY 2001 allocation due to changes in the federal match rate and projected utilization.

31 34 e. For the fiscal year beginning July 1, 2001, the
31 35 requirements of section 232.143 applicable to the juvenile
32 1 court and to representatives of the juvenile court shall be
32 2 applicable instead to juvenile court services and to
32 3 representatives of juvenile court services. The
32 4 representatives appointed by the department of human services
32 5 and by juvenile court services to establish the plan to
32 6 contain expenditures for children placed in group foster care
32 7 ordered by the court within the budget target allocated to the
32 8 region shall establish the plan in a manner so as to ensure
32 9 the moneys allocated to the region under section 232.143 shall
32 10 last the entire fiscal year. Funds for a child placed in
32 11 group foster care shall be considered encumbered for the
32 12 duration of the child's projected or actual length of stay,
32 13 whichever is applicable.

Specifies that the requirements of Section 232.143, Code of Iowa, relating to group foster care placements are applicable to Juvenile Court Services rather than to the Juvenile Court. Requires that the allocation for group foster care be sufficient to fund placements for the entire fiscal year. Specifies that funds for a youth placed in group foster care be encumbered for either the youth's projected or actual length of stay, whichever is applicable.

32 14 3. The department shall continue the goal that not more
32 15 than 15 percent of the children placed in foster care funded
32 16 under the federal Social Security Act, Title IV–E, may be
32 17 placed in foster care for a period of more than 24 months.

Requires the DHS to establish a goal that not more than 15.00% of the children placed in foster care funded with federal Title IV-E funds remain in care for more than 24 months.

DETAIL: This is the same percentage as in FY 2001.

32 18 4. In accordance with the provisions of section 232.188,
32 19 the department shall continue the program to decategorize
32 20 child welfare services funding in additional counties or
32 21 clusters of counties.

Requires the DHS to continue the child welfare decategorization project in additional counties or clusters of counties.

32 22 5. A portion of the funding appropriated in this section
32 23 may be used for emergency family assistance to provide other
32 24 resources required for a family participating in a family
32 25 preservation or reunification project to stay together or to
32 26 be reunified.

Permits a portion of the Child and Family Services appropriation to be used for emergency family assistance under specified conditions.

32 27 6. Notwithstanding section 234.35, subsection 1, for the
32 28 fiscal year beginning July 1, 2001, state funding for shelter
32 29 care paid pursuant to section 234.35, subsection 1, paragraph
32 30 "h", shall be limited to \$7,513,084.

CODE: Limits State funding for shelter care to \$7,513,084.

DETAIL: This is an increase of \$357,473 compared to the FY 2001 allocation due to changes in the federal match rate.

32 31 7. Of the funding appropriated in this section, up to
32 32 \$617,079 may be used as determined by the department for any
32 33 of the following purposes:

Permits the DHS to spend up to \$617,079 for foster care efforts directed at staff training, oversight of termination of parental rights, permanency planning, and personnel.

32 34 a. For general administration of the department to improve
32 35 staff training efforts.

DETAIL: This is a decrease of \$10,537 compared to the FY 2001 allocation due to changes in client eligibility for federal financial participation.

33 1 b. For oversight of termination of parental rights and
33 2 permanency planning efforts on a statewide basis.

33 3 c. For personnel, assigned by the attorney general, to
33 4 provide additional services relating to termination of
33 5 parental rights and child in need of assistance cases.

33 6 d. For specialized permanency planning field operations
33 7 staff.

33 8 8. The department may adopt administrative rules following
33 9 consultation with child welfare services providers to
33 10 implement outcome-based child welfare services pilot projects.
33 11 The rules may include, but are not limited to, the development
33 12 of program descriptions, provider licensing and certification
33 13 standards, reimbursement and payment amounts, contract
33 14 requirements, assessment and service necessity requirements,
33 15 eligibility criteria, claims submission procedures, and
33 16 accountability standards.

Permits the DHS to adopt administrative rules to implement the outcome-based child welfare services pilot projects in consultation with service providers. Specifies topics the administrative rules may address.

33 17 9. The department shall continue to make adoption
33 18 presubsidy and adoption subsidy payments to adoptive parents
33 19 at the beginning of the month for the current month. If the
33 20 department receives any bonus or incentive payments from the
33 21 federal government relating to adoption that may be used to
33 22 supplement state funds, the department shall use a minimum of
33 23 \$44,750 of such moneys for adoption recruitment.

Requires the DHS to continue to make adoption presubsidy and subsidy payments at the beginning of each month. Requires that the DHS utilize \$44,750 of possible bonus or incentive funds for adoption recruitment.

33 24 10. Federal funds received by the state during the fiscal
33 25 year beginning July 1, 2001, as the result of the expenditure
33 26 of state funds appropriated during a previous state fiscal
33 27 year for a service or activity funded under this section,
33 28 shall be used as additional funding for services provided
33 29 under this section. Notwithstanding section 8.33, moneys
33 30 received by the department in accordance with the provisions
33 31 of this subsection shall remain available for the purposes
33 32 designated until June 30, 2003.

CODE: Requires that federal funds received in the fiscal year after the expenditure of the related State funds are to be used as additional funding for services provided under the Child and Family Services appropriation. Provides that such funds are not to revert but remain available for these services until June 30, 2003.

33 33 11. The department and juvenile court services shall
33 34 continue to develop criteria for the department regional
33 35 administrator and chief juvenile court officer to grant
34 1 exceptions to extend eligibility, within the funds allocated,
34 2 for intensive tracking and supervision and for supervised
34 3 community treatment to delinquent youth beyond age 18 who are
34 4 subject to release from the state training school, a highly
34 5 structured juvenile program, or group foster care.

Requires the DHS and juvenile court services to develop criteria for exceptions to extend aftercare eligibility to individuals beyond age 18 and released from a specified placement.

34 6 12. Of the moneys appropriated in this section, not more
34 7 than \$627,100 is allocated to provide clinical assessment
34 8 services as necessary to continue funding of children's
34 9 rehabilitation services under medical assistance in accordance
34 10 with federal law and requirements. The funding allocated is
34 11 the amount projected to be necessary for providing the
34 12 clinical assessment services.

Limits funding for Clinical Assessment Services to \$627,100.

DETAIL: This is an increase of \$313,550 compared to the FY 2001 allocation due to changes in federal funds.

34 13 13. Of the funding appropriated in this section,
34 14 \$3,696,285 shall be used for protective child care assistance.

Requires that \$3,696,285 be used for protective child day care assistance.

DETAIL: Maintains the current allocation level.

34 15 14. Of the moneys appropriated in this section, up to
34 16 \$3,290,000 is allocated for the payment of the expenses of
34 17 court-ordered services provided to juveniles which are a
34 18 charge upon the state pursuant to section 232.141, subsection
34 19 4.

Specifies that up to \$3,290,000 be used for court-ordered services provided to juveniles.

DETAIL: Maintains the current allocation level.

34 20 a. Notwithstanding section 232.141 or any other provision
34 21 of law, the amount allocated in this subsection shall be
34 22 distributed to the judicial districts as determined by the
34 23 state court administrator. The state court administrator
34 24 shall make the determination of the distribution amounts on or
34 25 before June 15, 2001.

CODE: Requires allocations to the DHS districts be made according to a formula determined by the State Court Administrator. Requires the allocations to be determined by June 15, 2001.

34 26 b. The department shall eliminate the program to provide
34 27 services or other support to reduce the number or length of
34 28 out-of-home placements of children known as the "wrap-around
34 29 funding program". The department may adopt emergency rules to
34 30 implement this subsection.

Requires the DHS to develop policies to ensure that funds in this allocation for court-ordered services are spent only after all other reasonable efforts have been made to utilize other funding sources and services. The DHS is required to plan for the utilization of the Medical Assistance Program and third-party insurance reserves.

34 31 c. The department of human services shall develop policies
34 32 and procedures to ensure that the funds allocated in this
34 33 subsection are spent only after all other reasonable actions
34 34 have been taken to utilize other funding sources and
34 35 community-based services. The policies and procedures shall
35 1 be designed to achieve the following objectives relating to

35 2 services provided under chapter 232:
35 3 (1) Maximize the utilization of funds which may be
35 4 available from the medical assistance program including usage
35 5 of the early and periodic screening, diagnosis, and treatment
35 6 (EPSDT) program.
35 7 (2) Recover payments from any third-party insurance
35 8 carrier which is liable for coverage of the services,
35 9 including health insurance coverage.
35 10 (3) Pursue development of agreements with regularly
35 11 utilized out-of-state service providers which are intended to
35 12 reduce per diem costs paid to those providers.

35 13 d. Notwithstanding chapter 232 or any other provision of
35 14 law, a district or juvenile court in a department of human
35 15 services district shall not order any service which is a
35 16 charge upon the state pursuant to section 232.141 if there are
35 17 insufficient court-ordered services funds available in the
35 18 district distribution amount to pay for the service. The
35 19 chief juvenile court officer shall encourage use of the funds
35 20 allocated in this subsection such that there are sufficient
35 21 funds to pay for all court-related services during the entire
35 22 year. The eight chief juvenile court officers shall attempt
35 23 to anticipate potential surpluses and shortfalls in the
35 24 distribution amounts and shall cooperatively request the state
35 25 court administrator to transfer funds between the districts'
35 26 distribution amounts as prudent.

35 27 e. Notwithstanding any provision of law to the contrary, a
35 28 district or juvenile court shall not order a county to pay for
35 29 any service provided to a juvenile pursuant to an order
35 30 entered under chapter 232 which is a charge upon the state
35 31 under section 232.141, subsection 4.

35 32 f. Of the funding allocated in this subsection, not more
35 33 than \$100,000 may be used by the judicial branch for
35 34 administration of the requirements under this subsection and
35 35 for travel associated with court-ordered placements which are

CODE: Prohibits a court from ordering any service which is a charge upon the State if there are insufficient funds to pay for the service. Requires the Chief Juvenile Court Officers to have the allocation available for the entire year. Permits the Chief Juvenile Court Officers to request that the State Court Administrator transfer funds between districts when appropriate.

CODE: Prohibits a district or juvenile court from ordering a county to pay for a service provided to a juvenile which is a charge upon the State.

Prohibits the Judicial Department from using more than \$100,000 of the allocation for administration and travel costs.

DETAIL: Maintains the current allocation level.

36 1 a charge upon the state pursuant to section 232.141,
36 2 subsection 4.

36 3 15. a. Of the funding appropriated in this section,
36 4 \$5,292,000 is allocated to provide school-based supervision of
36 5 children adjudicated under chapter 232, including not more
36 6 than \$1,764,000 from the allocation in this section for court-
36 7 ordered services. Not more than \$15,000 of the funding
36 8 allocated in this subsection may be used for the purpose of
36 9 training.

Specifies that \$5,292,000 is allocated for school-based supervision of delinquent children, including not more than \$1,764,000 for court-ordered services. Limits the funds for training to no more than \$15,000.

DETAIL: This is an increase of \$1,184,000 compared to the FY 2001 allocation to reflect FY 2001 General Assembly action.

36 10 b. To the extent possible, the personnel providing school-
36 11 based services shall be prepared with training or experience
36 12 relating to gender-specific programming to best intervene with
36 13 youth at risk of being found delinquent or determined to be a
36 14 child in need of assistance.

Requires that personnel providing school-based services be prepared with appropriate training or experience.

36 15 16. The department shall maximize the capacity to draw
36 16 federal funding under Title IV-E of the federal Social
36 17 Security Act.

Requires the DHS to maximize Federal Title IV-E funds.

36 18 17. Any unanticipated federal funding that is received
36 19 during the fiscal year due to improvements in the hours
36 20 counted by the judicial branch under the claiming process for
36 21 federal Title IV-E funding are appropriated to the department
36 22 to be used for additional or expanded services and support for
36 23 court-ordered services pursuant to section 232.141.
36 24 Notwithstanding section 8.33, moneys appropriated in this
36 25 subsection that remain unencumbered or unobligated at the
36 26 close of the fiscal year shall not revert but shall remain
36 27 available for expenditure for the purposes designated until
36 28 the close of the succeeding fiscal year.

CODE: Requires that funds received due to changes in the methodology used in determining the time provided by the Judicial Branch for services relating to foster care be expended for Court-ordered Services. Specifies that funds remaining at the end of FY 2002 not revert but remain available for expenditure in FY 2003.

36 29 [18. The department may adopt emergency rules to modify the
36 30 qualifications for rehabilitative treatment service providers
36 31 to allow an individual with a bachelor's degree in social work
36 32 to provide therapy and counseling and to implement other

Permits the DHS to adopt emergency administrative rules regarding the qualifications of rehabilitative treatment service providers.

VETOED

36 33 recommendations of the committee made up of department staff
 36 34 and providers of child welfare services that is charged with
 36 35 the development of proposals for regulatory improvements. The
 37 1 pertinent recommendations may include but are not limited to
 37 2 implementing "deemed" certification status for providers;
 37 3 addressing requirements for staff qualifications, ratios, and
 37 4 supervision; revising requirements for treatment plan
 37 5 development, review, and revision, and for treatment records;
 37 6 applying shared risk or loss provisions for retroactive
 37 7 audits; and access to the department's service review
 37 8 organization.]

VETOED: The Governor vetoed this language these service providers was already taking place. The Governor also indicated that the DHS lacks the resources to perform the other specified duties within this Subsection.

37 9 19. Notwithstanding section 234.39, subsection 5, and 2000
 37 10 Iowa Acts, chapter 1228, section 43, the department may
 37 11 operate a subsidized guardianship program if the United States
 37 12 department of health and human services approves a waiver
 37 13 under Title IV–E of the federal Social Security Act and the
 37 14 subsidized guardianship program can be operated without loss
 37 15 of Title IV–E funds.

CODE: Permits the DHS to operate a subsidized guardianship program if a federal waiver is received and Title IV-E funds are not jeopardized.

37 16 [20. Of the funds appropriated in this section, the
 37 17 department shall use \$700,000 for day treatment and aftercare
 37 18 services for juvenile females with provider selection made
 37 19 through a request for proposals process. The goal of
 37 20 providing the services is to ensure permanency, safety, and
 37 21 self-sufficiency for juvenile females.]

VETOED

Requires that \$700,000 of the \$106,000,000 FY 2002 appropriation for Children and Family Services be expended for treatment and services for juvenile females.

VETOED: The Governor vetoed this Subsection, indicating that the DHS already provides funding for specific female juvenile treatment.

37 22 Sec. 15. JUVENILE DETENTION HOME FUND. Moneys deposited
 37 23 in the juvenile detention home fund created in section 232.142
 37 24 during the fiscal year beginning July 1, 2001, and ending June
 37 25 30, 2002, are appropriated to the department of human services
 37 26 for the fiscal year beginning July 1, 2001, and ending June
 37 27 30, 2002, for distribution as follows:
 37 28 1. An amount equal to ten percent of the costs of the
 37 29 establishment, improvement, operation, and maintenance of
 37 30 county or multicounty juvenile detention homes in the fiscal
 37 31 year beginning July 1, 2000. Moneys appropriated for

CODE: Requires that moneys collected by the Department of Transportation, pursuant to the Juvenile Services and Pay-For-Stay Program Act of 1997 and deposited in the Juvenile Detention Home Fund be distributed as follows:

1. To juvenile detention centers for 10.00% of the costs in FY 2001.
2. To the Linn County Runaway Program, not to exceed \$80,000.
3. To other existing runaway programs.
4. To juvenile detention centers if funds remain.

37 32 distribution in accordance with this paragraph shall be
37 33 allocated among eligible detention homes, prorated on the
37 34 basis of an eligible detention home's proportion of the costs
37 35 of all eligible detention homes in the fiscal year beginning
38 1 July 1, 2000. Notwithstanding section 232.142, subsection 3,
38 2 the financial aid payable by the state under that provision
38 3 for the fiscal year beginning July 1, 2001, shall be limited
38 4 to the amount appropriated for the purposes of this paragraph.
38 5 2. For renewal of a grant to a county with a population
38 6 between 168,000 and 175,000 for implementation of the county's
38 7 runaway treatment plan under section 232.195:
38 8 \$ 80,000
38 9 3. For grants to counties implementing a runaway treatment
38 10 plan under section 232.195.
38 11 4. The remainder for additional allocations to county or
38 12 multicounty juvenile detention homes, in accordance with the
38 13 distribution requirements of subsection 1.

38 14 Sec. 16. CENTRAL INTAKE FOR CHILD PROTECTION. If specific
38 15 statutory authorization is enacted by the Seventy-ninth
38 16 General Assembly, 2002 Session, to establish a statewide
38 17 central intake unit for receiving child abuse reports, there
38 18 is appropriated from the general fund of the state to the
38 19 department of human services for the fiscal year beginning
38 20 July 1, 2001, and ending June 30, 2002, the following amount,
38 21 or so much thereof as is necessary, to be used for the purpose
38 22 designated:
38 23 For establishment in accordance with law of a statewide
38 24 central intake unit for receiving child abuse reports:
38 25 \$ 250,000
38 26 It is the intent of the general assembly to give prompt
38 27 consideration to the report of any 2001 legislative interim
38 28 study committee established by the legislative council
38 29 regarding the establishment of a central intake unit for
38 30 receiving child abuse reports.

DETAIL: As of May 31, 2001, \$1,828,915 has been collected from
reinstatement penalties for FY 2001. Total year-to-date in FY 2000
was \$1,775,229.

General Fund appropriation to the DHS for a Statewide Central Intake
Unit for child abuse reports.

DETAIL: The appropriation is contingent upon the enactment of
legislation by the 2002 General Assembly that establishes a Statewide
Central Intake Unit.

38 31 Sec. 17. COMMUNITY-BASED PROGRAMS. There is appropriated
 38 32 from the general fund of the state to the department of human
 38 33 services for the fiscal year beginning July 1, 2001, and
 38 34 ending June 30, 2002, the following amount, or so much thereof
 38 35 as is necessary, to be used for the purpose designated:

39 1 For community-based programs, on the condition that family
 39 2 planning services are funded, including salaries, support,
 39 3 maintenance, and miscellaneous purposes and for not more than
 39 4 the following full-time equivalent positions:

39 5 \$ 531,415

39 6 FTEs 1.00

39 7 1. Funds appropriated in this section shall be used to
 39 8 provide adolescent pregnancy prevention grants which comply
 39 9 with the requirements provided in 1997 Iowa Acts, chapter 208,
 39 10 section 14, subsections 1 and 2, and shall emphasize programs
 39 11 which target the middle school level.

39 12 2. It is the intent of the general assembly that the
 39 13 department of human services and the Iowa department of public
 39 14 health shall continue to identify existing abstinence
 39 15 education or community-based programs which comply with the
 39 16 requirements established in section 912, subchapter V, of the
 39 17 federal Social Security Act, as codified in 42 U.S.C. § 701
 39 18 et seq. for the matching of federal funds.

39 19 3. Of the funds appropriated in this section, \$250,000
 39 20 shall be used by the department for child abuse prevention
 39 21 grants.

39 22 Sec. 18. FAMILY SUPPORT SUBSIDY PROGRAM. There is
 39 23 appropriated from the general fund of the state to the
 39 24 department of human services for the fiscal year beginning
 39 25 July 1, 2001, and ending June 30, 2002, the following amount,
 39 26 or so much thereof as is necessary, to be used by the division
 39 27 of children and family services for the purpose designated:

General Fund Appropriation to the DHS for Community Based Programs.

DETAIL: This is an increase of \$250,000 and no change in FTE positions compared to the FY 2001 estimated net appropriation.

Requires that the funds appropriated in this Section be used for adolescent pregnancy prevention grants which are broad-based, focus on abstinence, and targeted to middle schools.

Specifies that it is the intent of the General Assembly that the DHS and the Department of Public Health shall cooperate in identifying existing programs meeting the federal criteria to qualify as match funding for federal abstinence education funds to be received in federal fiscal year (FFY) 2002.

Requires that \$250,000 of the appropriation for the Community Based Program budget unit be used for child abuse prevention grants.

General Fund appropriation to the DHS for the Family Support Subsidy Program.

DETAIL: This is an increase of \$61,643 compared to the FY 2001 estimated net appropriation to match the federal Supplemental Security Income (SSI) increase for the portion of the appropriation

PG LN	House File 732	Explanation
39 28	For the family support subsidy program:	used for subsidy payments for services provided to families of children
39 29	..... \$ 2,089,858	with disabilities for a cost-of-living adjustment.
39 30	The department may use up to \$267,000 of the moneys	Permits the DHS to use up to \$267,000 to continue the Children-at-
39 31	appropriated in this section to continue the children-at-home	Home Pilot Program and limits administrative funding to \$20,000.
39 32	program in current counties, of which not more than \$20,000	
39 33	shall be used for administrative costs.	
39 34	Sec. 19. CONNER DECREE. There is appropriated from the	General Fund appropriation to the DHS for Conner Decree training
39 35	general fund of the state to the department of human services	requirements.
40 1	for the fiscal year beginning July 1, 2001, and ending June	DETAIL: Maintains the current level of funding for training purposes to
40 2	30, 2002, the following amount, or so much thereof as is	comply with the Conner court decision mandating placement in the
40 3	necessary, to be used for the purpose designated:	least restrictive setting. Expands permissive use of the funds.
40 4	For building community capacity through the coordination	
40 5	and provision of training opportunities in accordance with the	
40 6	consent decree of Conner v. Branstad, No. 4-86-CV-30871(S.D.	
40 7	Iowa, July 14, 1994):	
40 8	..... \$ 46,000	
40 9	Sec. 20. MENTAL HEALTH INSTITUTES. There is appropriated	
40 10	from the general fund of the state to the department of human	
40 11	services for the fiscal year beginning July 1, 2001, and	
40 12	ending June 30, 2002, the following amounts, or so much	
40 13	thereof as is necessary, to be used for the purposes	
40 14	designated:	
40 15	1. For the state mental health institute at Cherokee for	General Fund appropriation to the Mental Health Institute at Cherokee.
40 16	salaries, support, maintenance, and miscellaneous purposes and	DETAIL: This is an increase of \$62,701 and no change in FTE
40 17	for not more than the following full-time equivalent	positions compared to the FY 2001 estimated net appropriation. The
40 18	positions:	change includes:
40 19	..... \$ 13,470,000	
40 20	..... FTEs 248.44	
		1. An increase of \$213,074 for inflation.
		2. A decrease of \$136,204 for a general reduction.
		3. A decrease of \$14,169 for rounding.
40 21	2. For the state mental health institute at Clarinda for	General Fund appropriation to the Mental Health Institute at Clarinda.

40 22 salaries, support, maintenance, and miscellaneous purposes and
 40 23 for not more than the following full-time equivalent
 40 24 positions:
 40 25 \$ 7,650,000
 40 26 FTEs 138.59

DETAIL: This is an increase of \$116,039 and no change in FTE positions compared to the FY 2001 estimated net appropriation. The change includes:

1. An increase of \$133,829 for inflation.
2. An increase of \$65,000 for a general increase.
3. A decrease of \$77,328 for a general reduction.
4. A decrease of \$5,462 for rounding.

40 27 3. For the state mental health institute at Independence
 40 28 for salaries, support, maintenance, and miscellaneous purposes
 40 29 and for not more than the following full-time equivalent
 40 30 positions:
 40 31 \$ 17,992,500
 40 32 FTEs 354.46

General Fund appropriation to the Mental Health Institute at Independence.

DETAIL: This is an increase of \$244,727 and 7.75 FTE positions compared to the FY 2001 estimated net appropriation. The change includes:

1. An increase of \$378,924 for inflation.
2. An increase of 5.75 FTE positions due to increases in admissions and average daily census.
3. A decrease of \$181,267 for a general reduction.
4. A decrease of \$15,430 for rounding.
5. An increase of \$62,500 and 2.00 FTE positions for security staff.

40 33 The state mental health institute at Independence shall
 40 34 continue the 30 psychiatric medical institution for children
 40 35 (PMIC) beds authorized in section 135H.6, in a manner which
 41 1 results in no net state expenditure amount in excess of the
 41 2 amount appropriated in this subsection. Counties are not
 41 3 responsible for the costs of PMIC services described in this
 41 4 subsection. Subject to the approval of the department, with
 41 5 the exception of revenues required under section 249A.11 to be
 41 6 credited to the appropriation in this Act for medical
 41 7 assistance, revenues attributable to the PMIC beds described
 41 8 in this subsection for the fiscal year beginning July 1, 2001,
 41 9 and ending June 30, 2002, shall be deposited in the
 41 10 institute's account, including but not limited to any of the
 41 11 following revenues:
 41 12 a. The federal share of medical assistance revenue
 41 13 received under chapter 249A.

Requires the Independence Mental Health Institute to continue the 30-bed Psychiatric Medical Institution for Children (PMIC) facility under a net State budgeting approach. Requires that revenues attributable to the beds be deposited in the Institute's account. The revenues include:

1. The Institute's federal share of Medical Assistance funding.
2. Moneys received through client participation.
3. Revenues directly attributable to operation of the Psychiatric Medical Institution for Children beds.

41 14 b. Moneys received through client participation.
 41 15 c. Any other revenues directly attributable to the PMIC
 41 16 beds.

41 17 [The moneys appropriated in this subsection include funding
 41 18 for two additional security guard staff positions at the state
 41 19 mental health institute at Independence.]

VETOED

Specifies that funds from the appropriation to the Mental Health Institute at Independence be expended for 2.00 FTE positions for additional security staff.

DETAIL: The appropriation includes \$62,500 for these two additional FTE positions.

VETOED: The Governor vetoed this paragraph, indicating that the funding would be more appropriately used for direct services.

41 20 4. For the state mental health institute at Mount Pleasant
 41 21 for salaries, support, maintenance, and miscellaneous purposes
 41 22 and for not more than the following full-time equivalent
 41 23 positions:
 41 24 \$ 5,717,500
 41 25 FTEs 109.47

General Fund appropriation to the Mental Health Institute at Mount Pleasant.

DETAIL: This is a decrease of \$61,675 and no change in FTE positions compared to the FY 2001 estimated net appropriation. The change includes:

1. An increase of \$66,128 for inflation.
2. A decrease of \$65,000 for a general decrease.
3. A decrease of \$57,803 for a general reduction.
4. A decrease of \$5,000 for rounding.

41 26 a. Funding is provided in this subsection for the mental
 41 27 health institute at Mount Pleasant to continue the dual
 41 28 diagnosis mental health and substance abuse program on a net
 41 29 budgeting basis in which 50 percent of the actual per diem and
 41 30 ancillary services costs are chargeable to the patient's
 41 31 county of legal settlement or as a state case, as appropriate.
 41 32 Subject to the approval of the department, revenues
 41 33 attributable to the dual diagnosis program for the fiscal year
 41 34 beginning July 1, 2001, and ending June 30, 2002, shall be
 41 35 deposited in the institute's account, including but not
 42 1 limited to all of the following revenues:
 42 2 (1) Moneys received by the state from billings to counties

Requires the Mount Pleasant Mental Health Institute to operate a dual diagnosis program under the net State budgeting approach. The cost of treating a dual diagnosis patient will be charged one-half to the patient's county of residence and one-half to the State. Specifies which revenues are required to be deposited in the Institute's account.

42 3 under section 230.20.

42 4 (2) Moneys received from billings to the Medicare program.

42 5 (3) Moneys received from a managed care contractor
42 6 providing services under contract with the department or any
42 7 private third-party payor.

42 8 (4) Moneys received through client participation.

42 9 (5) Any other revenues directly attributable to the dual
42 10 diagnosis program.

42 11 b. The following additional provisions are applicable in
42 12 regard to the dual diagnosis program:

42 13 (1) A county may split the charges between the county's
42 14 mental health, mental retardation, and developmental
42 15 disabilities services fund and the county's budget for
42 16 substance abuse expenditures.

42 17 (2) If an individual is committed to the custody of the
42 18 department of corrections at the time the individual is
42 19 referred for dual diagnosis treatment, the department of
42 20 corrections shall be charged for the costs of treatment.

42 21 (3) Prior to an individual's admission for dual diagnosis
42 22 treatment, the individual shall have been screened through a
42 23 county's single entry point process to determine the
42 24 appropriateness of the treatment.

42 25 (4) A county shall not be chargeable for the costs of
42 26 treatment for an individual enrolled in and authorized by or
42 27 decertified by a managed behavioral care plan under the
42 28 medical assistance program.

42 29 (5) Notwithstanding section 8.33, mental health
42 30 institutions revenues related to the dual diagnosis program
42 31 that remain unencumbered or unobligated at the close of the
42 32 fiscal year shall not revert but shall remain available up to
42 33 the amount which would allow the mental health institute to
42 34 meet credit obligations owed to counties as a result of year-
42 35 end per diem adjustments for the dual diagnosis program.

Specifies the following provisions relating to county payment of dual diagnosis treatment:

1. Counties may charge the costs of dual diagnosis to mental health funds and to substance abuse funds.
2. The cost of treating a person in the custody of the Department of Corrections is chargeable to the Department of Corrections.
3. Patients voluntarily admitted to the dual diagnosis program must receive a referral from a Central Point Coordinator.
4. The cost of treating a person enrolled in and authorized or decertified by a managed behavioral health care contractor is not chargeable to the counties.

CODE: Specifies that a limited amount of funds from those unobligated at the Mount Pleasant Mental Health Institute do not revert to the State General Fund.

DETAIL: The language permits the Mount Pleasant Mental Health Institute to retain the funds necessary to meet county credit obligations at the end of FY 2002 relating to the dual diagnosis program year-end per diem adjustments.

43 1 5. Within the funds appropriated in this section, the
 43 2 department may transfer funds as necessary to best fulfill the
 43 3 needs of the institutions provided for in the appropriation.

Permits the DHS to reallocate funds to fulfill the needs of the mental health institutions.

43 4 6. As part of the discharge planning process at the state
 43 5 mental health institutes, the department shall provide
 43 6 assistance in obtaining eligibility for federal supplemental
 43 7 security income (SSI) to those individuals whose care at a
 43 8 state mental health institute is the financial responsibility
 43 9 of the state or a county.

Requires the DHS to provide assistance in obtaining federal Supplemental Security Income (SSI) benefits to persons being discharged.

43 10 [7. If the department receives notice from the department
 43 11 of inspections and appeals or any other entity that certifies
 43 12 a state mental health institute's compliance with
 43 13 certification requirements or determines compliance with
 43 14 regulatory requirements, that a state mental health institute
 43 15 has been found or cited for being out of compliance with a
 43 16 requirement, the department shall report the notice to those
 43 17 persons designated by this Act to receive reports. The report
 43 18 shall be made within thirty days of the date the notice was
 43 19 received by the department.]

VETOED

Requires the Department of Human Services to provide various entities notice when a Mental Health Institute receives a citation from the Department of Inspections and Appeals or other entity regarding compliance with a certification or regulatory requirement within 30 days of the report to the Department.

VETOED: The Governor vetoed this Subsection, indicating that the information is already available to the public.

43 20 Sec. 21. STATE RESOURCE CENTERS. There is appropriated
 43 21 from the general fund of the state to the department of human
 43 22 services for the fiscal year beginning July 1, 2001, and
 43 23 ending June 30, 2002, the following amounts, or so much
 43 24 thereof as is necessary, to be used for the purposes
 43 25 designated:

43 26 1. For the state resource center at Glenwood for salaries,
 43 27 support, maintenance, and miscellaneous purposes:
 43 28 \$ 2,625,000

General Fund appropriation to the State Resource Center at Glenwood.

DETAIL: This is a decrease of \$1,110,483 and no change in FTE positions compared to the FY 2001 estimated net appropriation. The change includes:

1. A decrease of \$1,065,470 due to increased federal receipts due to the additional FY 2001 State funds from the salary allocation which result in additional federal funding.
2. A decrease of \$38,703 due to increased federal match rates.
3. An increase of \$27,148 for inflation.
4. A decrease of \$26,585 for a general reduction.
5. A decrease of \$6,873 for rounding.

The FTE positions included in tracking are an estimate. The General Assembly does not limit the number of FTE positions.

43 29 2. For the state resource center at Woodward for salaries,
 43 30 support, maintenance, and miscellaneous purposes:
 43 31 \$ 1,790,000

General Fund appropriation to the State Resource Center at Woodward.

DETAIL: This is a decrease of \$813,836 and no change in FTE positions compared to the FY 2001 estimated net appropriation. The change includes:

1. An increase of \$20,124 for inflation.
2. A decrease of \$782,340 due to an increase in the estimated federal receipts by the Resource Center due to the additional FY 2001 State funds from the salary allocation which result in additional federal funding.
3. A decrease of \$27,684 due to increases in the federal match rate.
4. A decrease of \$18,139 for a general reduction.
5. A decrease of \$5,797 for rounding.

The FTE positions included in tracking are an estimate. The General Assembly does not limit the number of FTE positions.

43 32 3. a. The department shall continue operating the state
 43 33 resource centers at Glenwood and Woodward with a net general
 43 34 fund appropriation. The amounts allocated in this section are
 43 35 the net amounts of state moneys projected to be needed for the
 44 1 state resource centers. The purposes of operating with a net
 44 2 general fund appropriation are to encourage the state resource
 44 3 centers to operate with increased self-sufficiency, to improve
 44 4 quality and efficiency, and to support collaborative efforts
 44 5 between the state resource centers and counties and other

Requires the two State Resource Centers (Glenwood and Woodward) to operate under a net budgeting system. Specifies the purposes of the system and how the moneys appropriated in this Section may be used.

44 6 funders of services available from the state resource centers.
44 7 The state resource centers shall not be operated under the net
44 8 appropriation in a manner which results in a cost increase to
44 9 the state or cost shifting between the state, the medical
44 10 assistance program, counties, or other sources of funding for
44 11 the state resource centers. Moneys appropriated in this
44 12 section may be used throughout the fiscal year in the manner
44 13 necessary for purposes of cash flow management, and for
44 14 purposes of cash flow management the state resource centers
44 15 may temporarily draw more than the amounts appropriated,
44 16 provided the amounts appropriated are not exceeded at the
44 17 close of the fiscal year.

44 18 b. Subject to the approval of the department, except for
44 19 revenues under section 249A.11, revenues attributable to the
44 20 state resource centers for the fiscal year beginning July 1,
44 21 2001, shall be deposited into each state resource center's
44 22 account, including but not limited to all of the following:

44 23 (1) Moneys received by the state from billings to counties
44 24 under section 222.73.

44 25 (2) The federal share of medical assistance revenue
44 26 received under chapter 249A.

44 27 (3) Federal Medicare program payments.

44 28 (4) Moneys received from client financial participation.

44 29 (5) Other revenues generated from current, new, or
44 30 expanded services which the state resource center is
44 31 authorized to provide.

44 32 c. For the purposes of allocating the salary adjustment
44 33 fund moneys appropriated in another Act, the state resource
44 34 centers shall be considered to be funded entirely with state
44 35 moneys.

45 1 d. Notwithstanding section 8.33, up to \$500,000 of a state
45 2 resource center's revenues that remain unencumbered or
45 3 unobligated at the close of the fiscal year shall not revert
45 4 but shall remain available to be used in the succeeding fiscal

Requires revenues received by the Resource Centers to be deposited into a designated fund and specifies sources of revenue to be included.

Requires salary adjustment appropriations not included in this Act to be allocated assuming the State funds the entire cost of the State Resource Centers.

CODE: Permits the two State Resource Centers to carry forward up to \$500,000 of the FY 2002 revenues.

45 5 year.

45 6 4. Within the funds appropriated in this section, the
45 7 department may transfer funds as necessary to best fulfill the
45 8 needs of the institutions provided for in the appropriation.

Permits the DHS to reallocate funds between the two State Resource Centers to fulfill the needs of the Centers.

45 9 5. The department may continue to bill for state resource
45 10 center services utilizing a scope of services approach used
45 11 for private providers of ICFMR services, in a manner which
45 12 does not shift costs between the medical assistance program,
45 13 counties, or other sources of funding for the state resource
45 14 centers.

Permits the DHS to continue billing practices that do not include cost shifting.

45 15 6. The state resource centers may expand the time limited
45 16 assessment and respite services during the fiscal year.

Permits the State Resource Centers to expand time-limited assessment and respite services.

DETAIL: Time-limited assessments include analysis of patients' conditions and development of therapy plans to assist families in caring for individuals with mental retardation or developmental disabilities. Respite services provide care for special needs individuals for a limited duration to provide families with a temporary reprieve from caretaking responsibilities.

45 17 7. If the department's administration and the department
45 18 of management concur with a finding by a state resource
45 19 center's superintendent that projected revenues can reasonably
45 20 be expected to pay the salary and support costs for a new
45 21 employee position, or that such costs for adding a particular
45 22 number of new positions for the fiscal year would be less than
45 23 the overtime costs if new positions would not be added, the
45 24 superintendent may add the new position or positions. If the
45 25 vacant positions available to a resource center do not include
45 26 the position classification desired to be filled, the state
45 27 resource center's superintendent may reclassify any vacant
45 28 position as necessary to fill the desired position. The
45 29 superintendents of the state resource centers may, by mutual
45 30 agreement, pool vacant positions and position classifications

Specifies that additional positions at the two State Resource Centers may be added under certain projections.

45 31 during the course of the fiscal year in order to assist one
 45 32 another in filling necessary positions.

45 33 [8. If the department receives notice from the department
 45 34 of inspections and appeals or any other entity that certifies
 45 35 a state resource center's compliance with certification
 46 1 requirements or determines compliance with regulatory
 46 2 requirements, that a state resource center has been found or
 46 3 cited for being out of compliance with a requirement, the
 46 4 department shall report the notice to those persons designated
 46 5 by this Act to receive reports. The report shall be made
 46 6 within thirty days of the date the notice was received by the
 46 7 department.]

VETOED

Requires the Department of Human Services to provide various entities notice when a State Resource Center receives a citation from the Department of Inspections and Appeals or other entity regarding compliance with a certification or regulatory requirement within 30 days of the report to the Department.

VETOED: The Governor vetoed this Subsection, indicating that the information is already available to the public.

46 8 Sec. 22. SPECIAL NEEDS GRANTS. There is appropriated from
 46 9 the general fund of the state to the department of human
 46 10 services for the fiscal year beginning July 1, 2001, and
 46 11 ending June 30, 2002, the following amount, or so much thereof
 46 12 as is necessary, to be used for the purpose designated:
 46 13 To provide special needs grants to families with a family
 46 14 member at home who has a developmental disability or to a
 46 15 person with a developmental disability:
 46 16 \$ 53,212

General Fund appropriation to the DHS for Special Needs Grants.

DETAIL: Maintains the current level of funding.

46 17 Grants must be used by a family to defray special costs of
 46 18 caring for the family member to prevent out-of-home placement
 46 19 of the family member or to provide for independent living
 46 20 costs. The grants may be administered by a private nonprofit
 46 21 agency which serves people statewide provided that no
 46 22 administrative costs are received by the agency.

Requires grants to be used to pay costs of caring for a person with a developmental disability to prevent out-of-home placement or to assist with independent living.

46 23 Sec. 23. MI/MR/DD STATE CASES. There is appropriated from
 46 24 the general fund of the state to the department of human
 46 25 services for the fiscal year beginning July 1, 2001, and
 46 26 ending June 30, 2002, the following amounts, or so much
 46 27 thereof as is necessary, to be used for the purposes
 46 28 designated:

General Fund appropriation to the DHS for State Cases.

DETAIL: This is an increase of \$91,155 compared to the FY 2001 estimated net appropriation due to an increase in the number of cases, increased expenditures per case, and use of the Medicaid Rehabilitation Option.

46 29 For purchase of local services for persons with mental
 46 30 illness, mental retardation, and developmental disabilities
 46 31 where the client has no established county of legal
 46 32 settlement:
 46 33 \$ 12,700,000

46 34 Sec. 24. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES —
 46 35 COMMUNITY SERVICES FUND. There is appropriated from the
 47 1 general fund of the state to the mental health and
 47 2 developmental disabilities community services fund created in
 47 3 section 225C.7 for the fiscal year beginning July 1, 2001, and
 47 4 ending June 30, 2002, the following amount, or so much thereof
 47 5 as is necessary, to be used for the purpose designated:
 47 6 For mental health and developmental disabilities community
 47 7 services in accordance with this Act:
 47 8 \$ 19,560,000

47 9 1. Of the funds appropriated in this section, \$19,530,000
 47 10 shall be allocated to counties for funding of community-based
 47 11 mental health and developmental disabilities services. The
 47 12 moneys shall be allocated to a county as follows:
 47 13 a. Fifty percent based upon the county's proportion of the
 47 14 state's population of persons with an annual income which is
 47 15 equal to or less than the poverty guideline established by the
 47 16 federal office of management and budget.
 47 17 b. Fifty percent based upon the county's proportion of the
 47 18 state's general population.

47 19 [Of the funds allocated in this subsection, not more than
 47 20 \$25,000 may be used to provide matching funds for actuarial
 47 21 services and other technical assistance to implement the adult
 47 22 mental health, mental retardation, and developmental
 47 23 disabilities services funding decategorization pilot project
 47 24 implementation provisions as specified in this Act.]

VETOED

General Fund appropriation for the Mental Health Community Services Fund.

DETAIL: Maintains the current level of funding.

Allocates \$19,530,000 to counties for funding of Community-Based Services. Specifies that the funds be allocated 50.00% based on population and 50.00% based on income.

DETAIL: Maintains the current allocation formula.

Permits \$25,000 of the appropriation to be used for providing technical assistance to the pilot project relating to decategorization.

DETAIL: This is a new allocation for FY 2002. Additional funds are not included for the allocation.

VETOED: The Governor vetoed this paragraph to parallel the item veto of the pilot project for decategorization, indicating that the DHS does not have the resources to provide the technical assistance.

47 25 2. a. A county shall utilize the funding the county
47 26 receives pursuant to subsection 1 for services provided to
47 27 persons with a disability, as defined in section 225C.2.
47 28 However, no more than 50 percent of the funding shall be used
47 29 for services provided to any one of the service populations.
47 30 b. A county shall use at least 50 percent of the funding
47 31 the county receives under subsection 1 for contemporary
47 32 services provided to persons with a disability, as described
47 33 in rules adopted by the department.

Requires the funds to be used for services to persons with mental illness, mental retardation, developmental disabilities, and brain injuries. Specifies that no more than 50.00% may be used for any one of these populations. Requires counties to use at least 50.00% of the funding received on contemporary services.

47 34 3. Of the funds appropriated in this section, \$30,000
47 35 shall be used to support the Iowa compass program providing
48 1 computerized information and referral services for Iowans with
48 2 disabilities and their families.

Allocates \$30,000 to be used to support the Iowa Compass Program, which provides computerized information and referral services for Iowans with Developmental Disabilities and their families.

DETAIL: Maintains the current level of funding.

48 3 4. a. Funding appropriated for purposes of the federal
48 4 social services block grant is allocated for distribution to
48 5 counties for local purchase of services for persons with
48 6 mental illness or mental retardation or other developmental
48 7 disability.

Allocates federal funds appropriated in the Federal Block Grant Act from the Social Services Block Grant for distribution to counties for local purchase of services for persons with mental illness, mental retardation, and developmental disabilities.

48 8 b. The funds allocated in this subsection shall be
48 9 expended by counties in accordance with the county's approved
48 10 county management plan. A county without an approved county
48 11 management plan shall not receive allocated funds until the
48 12 county's management plan is approved.

Requires that counties expend Social Services Block Grant funds according to their approved county management plans. Prohibits a county from receiving an allocation of Social Services Block Grant funds until the county's plan is approved.

48 13 c. The funds provided by this subsection shall be
48 14 allocated to each county as follows:
48 15 (1) Fifty percent based upon the county's proportion of
48 16 the state's population of persons with an annual income which
48 17 is equal to or less than the poverty guideline established by
48 18 the federal office of management and budget.
48 19 (2) Fifty percent based upon the amount provided to the
48 20 county for local purchase of services in the preceding fiscal
48 21 year.

Requires the funds provided in this Subsection be allocated to each county according to a specified formula.

DETAIL: The formula remains unchanged from the FY 1997 formula.

48 22 5. A county is eligible for funds under this section if
 48 23 the county qualifies for a state payment as described in
 48 24 section 331.439.

Specifies that a county is eligible for State funding through the Community Mental Health Services Fund if it meets the requirements for receiving Property Tax Relief funds and Allowed Growth funds.

48 25 Sec. 25. PERSONAL ASSISTANCE. There is appropriated from
 48 26 the general fund of the state to the department of human
 48 27 services for the fiscal year beginning July 1, 2001, and
 48 28 ending June 30, 2002, the following amount, or so much thereof
 48 29 as is necessary, to be used for the purpose designated:
 48 30 For continuation of a pilot project for the personal
 48 31 assistance services program in accordance with this section:
 48 32 \$ 264,000

General Fund appropriation for the Personal Assistance Services Pilot Program.

DETAIL: This is a decrease of \$100,000 compared to the estimated net FY 2001 appropriation for the phase-out of the Program.

48 33 1. The funds appropriated in this section shall be used to
 48 34 continue the pilot project for the personal assistance
 48 35 services program under section 225C.46 in an urban and a rural
 49 1 area. Not more than 10 percent of the amount appropriated
 49 2 shall be used for administrative costs. The pilot project
 49 3 shall not be implemented in a manner which would require
 49 4 additional county or state costs for assistance provided to an
 49 5 individual served under the pilot project.

Requires that funds appropriated for the Personal Assistance Services Pilot Program be used to continue the Program. Limits the amount that may be spent upon administrative expenses to \$26,400 (10.00%). Prohibits implementation in a manner which would increase costs for counties or the State.

49 6 2. Beginning July 1, 2001, new applicants shall not be
 49 7 accepted into the pilot project. An individual receiving
 49 8 services under the pilot project as of June 30, 2001, shall
 49 9 continue receiving services until the individual voluntarily
 49 10 leaves the project or until another program with similar
 49 11 services exists.

Prohibits additional clients being added into the Personal Assistance Program pilot project.

DETAIL: The Program is being phased out.

49 12 Sec. 26. SEXUALLY VIOLENT PREDATORS.
 49 13 1. There is appropriated from the general fund of the
 49 14 state to the department of human services for the fiscal year
 49 15 beginning July 1, 2001, and ending June 30, 2002, the
 49 16 following amount, or so much thereof as is necessary, to be
 49 17 used for the purpose designated:
 49 18 For costs associated with the commitment and treatment of
 49 19 sexually violent predators including costs of legal services

General Fund appropriation to the DHS for the Sexual Predator Commitment Program.

DETAIL: This is an increase of \$98,788 and 5.00 FTE positions compared to the FY 2001 estimated net appropriation. The change includes:

49 20 and other associated costs, including salaries, support,
 49 21 maintenance, and miscellaneous purposes and for not more than
 49 22 the following full-time equivalent positions:
 49 23 \$ 1,300,000
 49 24 FTEs 25.00

1. An increase of \$250,000 due to a one-time FY 2000 deappropriation because fewer patients were committed to the Program than budgeted.
2. An increase of \$13,658 for inflation.
3. An increase of \$109,500 for additional patients expected in FY 2002.
4. An increase of \$100,000 and 5.00 FTE positions for additional psychiatric security staff.
5. A decrease of \$16,744 for a general reduction.
6. A decrease of \$350,000 from a carry-forward from FY 2001 to FY 2002.
7. A decrease of \$7,626 for rounding.

49 25 2. Notwithstanding section 8.33, \$350,000 of the moneys
 49 26 appropriated in 2000 Iowa Acts, chapter 1228, section 27, that
 49 27 remain unexpended or unobligated at the close of the fiscal
 49 28 year shall not revert but shall remain available in the
 49 29 succeeding fiscal year to be used for the purposes of this
 49 30 section.

CODE: Specifies that \$350,000 of the FY 2001 appropriation for the Sexual Predator Commitment Program be carried forward into FY 2002 for purposes of the Sexual Predator Commitment Program.

49 31 Sec. 27. FIELD OPERATIONS. There is appropriated from the
 49 32 general fund of the state to the department of human services
 49 33 for the fiscal year beginning July 1, 2001, and ending June
 49 34 30, 2002, the following amount, or so much thereof as is
 49 35 necessary, to be used for the purposes designated:

50 1 1. For field operations, including salaries, support,
 50 2 maintenance, and miscellaneous purposes and for not more than
 50 3 the following full-time equivalent positions:
 50 4 \$ 49,100,000
 50 5 FTEs 2,128.50

General Fund appropriation to the DHS for Field Operations staff and support.

DETAIL: This is an increase of \$1,600,426 and 207.04 FTE positions compared to the FY 2001 estimated net appropriation. The change includes:

1. An increase of \$3,382,481 and 100.00 FTE positions to merge a portion of the Regional Offices budget unit into field staff.
2. An increase of \$434,471 for inflation.

3. An increase of \$50,000 to replace reduced Social Security Block Grant (SSBG) funding and a reduced percentage of funds that can be transferred from the Temporary Assistance to Needy Families (TANF) funds.
4. A decrease of \$879,636 due to increased federal financial participation.
5. An increase of 32.00 FTE positions for child care inspections.
6. An increase of \$1,731,709 and 50.04 FTE positions for increased child protection and child welfare workers and support costs, child safety staff, and social worker staff.
7. An increase of \$214,330 for training costs of new staff.
8. A decrease of \$519,512 for a 30.00% vacancy rate for the first year of the new staff.
9. A decrease of \$586,233 for a general reduction.
10. A decrease of \$3,000,000 due to expected federal funding for existing child abuse initiatives and new child abuse initiatives.
11. A decrease of \$27,184 for rounding.
12. An increase of \$800,000 and 25.00 FTE positions for social
13. workers and training.

50 6 a. Priority in filling full-time equivalent positions
 50 7 shall be given to those positions related to child protection
 50 8 services.

Requires the DHS to give priority, when filling vacant funded positions, to those positions related to child protection services.

50 9 b. The amount appropriated in this section includes
 50 10 increased funding of \$1,212,197 to address staffing issues in
 50 11 regard to child abuse assessment staff, social workers, and
 50 12 support staff performing related functions and for increased
 50 13 activities to improve cooperation between field staff, law
 50 14 enforcement, county attorneys, and mandatory reporters in
 50 15 addressing reports of child abuse.

Specifies that \$1,212,197 is provided as a funding increase to address issues relating to child protection.

50 16 [2. Commencing with the fiscal year beginning July 1, 2001,
 50 17 the department shall eliminate the regional office
 50 18 administrative level within field operations. Essential staff
 50 19 within a regional office shall be transferred to be part of
 50 20 the staff of a county cluster office. Upon elimination of the
 50 21 regional office administrative level, the geographic areas

VETOED

Requires the DHS to eliminate the administrative Regional Offices during FY 2002. Requires the essential staff from the Regional Offices to become part of county cluster offices. Specifies transitional language for changes needed to implement the elimination of the regional office administrative level and delineated staff duties.

50 22 established as departmental regions as of July 1, 2000, shall
50 23 continue to be used for implementation of Code sections 232.2,
50 24 232.52, 232.68, 232.78, 232.102, 232.117, 232.127, 232.143,
50 25 232.182, 232.188, 234.35, and any provision in this Act or
50 26 other law that utilizes the departmental regions for a
50 27 geographic purpose. The director of human services shall
50 28 assign any duties that are otherwise designated as duties of
50 29 the regional administrator in section 232.143, this Act, or
50 30 other provision of law or administrative rule to an
50 31 appropriate person.]

VETOED: The Governor vetoed this Subsection, indicating that since the duties of the DHS had not been reduced, local staff would have to perform the duties of the regional staff. The Governor indicated that this would eliminate the amount of time that local staff spent assisting families and children.

50 32 Sec. 28. ADDITIONAL FEDERAL FUNDING — FISCAL YEAR 2001–
50 33 2002.

50 34 1. The provisions of this section are applicable for the
50 35 fiscal year beginning July 1, 2001.

51 1 [2. It is the intent of the general assembly that the
51 2 director of human services work on expanding the community
51 3 partnership approach to child protection as established in
51 4 Linn county with funding support from the Edna McConnell Clark
51 5 foundation. The general assembly endorses the efforts by the
51 6 department and local communities to develop community child
51 7 protection systems that incorporate the four community
51 8 partnership components used in Linn county and other Clark
51 9 foundation sites. It is further intended that the director
51 10 seek additional funding from the Clark foundation for
51 11 expansion of the community partnership approach to other sites
51 12 in the state and make use of the additional funding
51 13 opportunities described in this section for such expansion.]

VETOED

Specifies legislative intent that the DHS work to expand community partnerships for child protection using the Linn County approach, request necessary funding from the Edna McConnell Clark Foundation, and secure financial participation available through federal agencies.

DETAIL: Specifies the target population, the services to be made available, use of financial resources, opportunities for additional services, and adoption of emergency rules to implement the provisions of the Section.

VETOED: The Governor vetoed Subsections 2, 3, and 5 in their entirety, stating that these activities are currently taking place and that the community partnership approach in child protection is being expanded to more than 65 counties.

51 14 [3. It is the intent of the general assembly that the
51 15 director of human services work to secure federal financial
51 16 participation through Titles IV–E and XIX of the federal
51 17 Social Security Act for services and activities that are
51 18 currently funded with state, county, or community moneys. It
51 19 is further intended that the director initially focus on
51 20 securing targeted case management funding under medical
51 21 assistance for state child protection staff and for services
51 22 and activities currently funded with juvenile court services,

VETOED

51 23 county, or community moneys and state moneys used in
51 24 combination with such moneys.]

51 25 4. Additional federal financial participation secured for
51 26 the fiscal year beginning July 1, 2001, and ending June 30,
51 27 2002, is appropriated to the department of human services for
51 28 use as provided in this section. All of the following are
51 29 applicable to the additional federal financial participation
51 30 and efforts made to secure the federal financial
51 31 participation:

51 32 a. The department may pursue federal approval of a state
51 33 plan amendment to use medical assistance funding for targeted
51 34 case management services. The population to be served through
51 35 targeted case management services is children who are at risk
52 1 of maltreatment or who are in need of protective services.
52 2 The funding shall be based on the federal and state moneys
52 3 available under the medical assistance program. For the
52 4 additional federal financial participation received under the
52 5 reimbursement methodology established for the services, a
52 6 distribution plan shall attribute revenue to the cost sources
52 7 upon which the reimbursement rates are based. In addition, of
52 8 the additional federal funds received, a 5 percent set-aside
52 9 shall be used for funding the revenue enhancement activities
52 10 and for service delivery and results improvement efforts.

52 11 b. The director may use part or all of the additional
52 12 federal financial participation in excess of \$3,000,000
52 13 received from medical assistance claims for child protection
52 14 staff for not more than 93.00 full-time equivalent state child
52 15 protection staff positions, including child abuse assessment
52 16 positions, social workers, and support positions performing
52 17 related functions. Positions added in accordance with this
52 18 paragraph "b" are in addition to those authorized in the
52 19 appropriation made in this Act for field operations.

52 20 c. The director may also use up to \$200,000 of the
52 21 additional federal financial participation in excess of
52 22 \$3,000,000 received from medical assistance claims for child
52 23 protection staff for providing grants to communities to
52 24 support the community partnership approach to child

52 25 protection. Potential grantees may include child welfare
 52 26 funding decategorization projects, community empowerment area
 52 27 boards, or other community-based entities who, in partnership
 52 28 with the local departmental administrators, agree to implement
 52 29 the four community partnership components.

52 30 [5. It is the intent of the general assembly to consider
 52 31 additional proposals for providing other forms of targeted
 52 32 case management services and Title IV-E administrative
 52 33 claiming through counties, juvenile court services, or other
 52 34 community-based approaches.]

VETOED

52 35 6. The department may adopt emergency rules to implement
 53 1 the provisions of this section.

53 2 Sec. 29. GENERAL ADMINISTRATION. There is appropriated
 53 3 from the general fund of the state to the department of human
 53 4 services for the fiscal year beginning July 1, 2001, and
 53 5 ending June 30, 2002, the following amount, or so much thereof
 53 6 as is necessary, to be used for the purpose designated:

53 7 For general administration, including salaries, support,
 53 8 maintenance, and miscellaneous purposes and for not more than
 53 9 the following full-time equivalent positions:

53 10 \$ 11,020,029

53 11 FTEs 385.00

General Fund appropriation to the DHS for General Administration.

DETAIL: This is a decrease of \$4,389,066 and an increase of 19.00 FTE positions compared to the FY 2001 estimated net appropriation. The change includes:

1. An increase of 19.00 FTE positions for the transition of information technology positions from contract employees to State FTE positions.
2. A decrease of \$100,060 due to increased federal funds received through revised federal match rate.
3. A decrease of \$1,000,000 due to converting information technology staff to State FTE positions.
4. A decrease of \$159,035 due to a general reduction.
5. A decrease of \$3,000,000 due to a freeze on equipment purchases.
6. A decrease of \$129,971 due to elimination of funding for Creative Employment Options Program.

53 12 1. Of the funds appropriated in this section, \$57,000 is
 53 13 allocated for the prevention of disabilities policy council
 53 14 established in section 225B.3.

Allocates \$57,000 to the Prevention of Disabilities Policy Council.

DETAIL: Maintains current level of funding.

53 15 [2. If an expenditure reduction or other cost-saving
 53 16 measure is deemed necessary to maintain expenditures within
 53 17 the amount appropriated to the department in this section, the
 53 18 department shall not implement the reduction or other measure
 53 19 in a manner which reduces service funding for disability
 53 20 rehabilitation programs, including, but not limited to,
 53 21 statewide supported employment programs.]

VETOED

Prohibits the DHS from implementing savings reductions for the General Administration appropriation that reduce service funding for disability rehabilitation programs, statewide supported employment programs, or drawdown of federal funding.

VETOED: The Governor vetoed this Subsection, stating that it would require additional duties at a time when funding and staffing have been reduced.

53 22 [3. The department shall report to the governor, the
 53 23 general assembly, the legislative fiscal bureau, and the
 53 24 legislative service bureau, within thirty days of notice from
 53 25 the source of payment of the future receipt of any bonus,
 53 26 incentive, or other payments received from the federal
 53 27 government, court settlement payments, and any other payments
 53 28 received by the state that may be used to supplement state
 53 29 funds appropriated to the department.]

VETOED

Requires the DHS to report to designated persons within 30 days of notice any future receipt of bonus, incentive, or other payments received by the State that may be used to supplement State funds appropriated to the department.

VETOED: The Governor vetoed this Subsection, stating that it would require additional duties at a time when funding and staffing have been reduced.

53 30 [4. It is the intent of the general assembly that the
 53 31 department commence negotiations with the state of Nebraska to
 53 32 provide a process to assist interested Nebraska residents in
 53 33 placing their children at a state resource center in this
 53 34 state, to allow the department and others to utilize the child
 53 35 protection center located in Omaha, and to explore other ways
 54 1 by which the two states may maximize the use of resources.]

VETOED

Specifies legislative intent that the DHS negotiate with the State of Nebraska to maximize the use of resources, including the placement of Nebraska children in an Iowa State Resource Center and Iowa's use of the Child Protection Center in Omaha, Nebraska.

VETOED: The Governor vetoed this Subsection, stating that it would require additional duties at a time when funding and staffing have been reduced.

54 2 Sec. 30. VOLUNTEERS. There is appropriated from the
 54 3 general fund of the state to the department of human services
 54 4 for the fiscal year beginning July 1, 2001, and ending June
 54 5 30, 2002, the following amount, or so much thereof as is
 54 6 necessary, to be used for the purpose designated:
 54 7 For development and coordination of volunteer services:
 54 8 \$ 118,250

General Fund appropriation to the DHS for the development and coordination of Volunteer Services.

DETAIL: Maintains current level of funding.

54 9 Sec. 31. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY
54 10 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER
THE
54 11 DEPARTMENT OF HUMAN SERVICES.

54 12 1. a. For the fiscal year beginning July 1, 2001, the
54 13 reimbursement rate for nursing facilities shall be determined
54 14 under a case mix reimbursement system. Nursing facilities
54 15 reimbursed under the medical assistance program shall submit
54 16 annual cost reports and additional documentation as required
54 17 by rules adopted by the department.

Requires the rate for nursing facilities be determined using a case mix system. Specifies method for reimbursement and reporting requirements.

54 18 b. (1) For the fiscal year beginning July 1, 2001, the
54 19 department shall reimburse pharmacy dispensing fees using a
54 20 single rate of \$5.17 per prescription or the pharmacy's usual
54 21 and customary fee, whichever is lower.

Specifies the rate for pharmacist services using a single rate maximum to be based on available funds, and requires the reimbursement policy for drug products to be in accordance with federal requirements.

54 22 [(2) The department shall increase the state's efforts to
54 23 collect pharmaceutical manufacturer rebates in order to meet
54 24 the national average relative to collection of such rebates.]

VETOED

VETOED: The Governor vetoed paragraphs (b)(2) and (b)(4) in their entirety. The Governor stated that based on industry data, the State is currently collecting 99.10% of the national average pharmaceutical manufacturer rebates. The Governor further stated that the proposal would increase fees for Iowa seniors, children, and people with special needs who do not have other choices besides using a brand name drug.

54 25 (3) The department shall implement a series of prospective
54 26 drug utilization review edits on targeted drugs to facilitate
54 27 the cost effective use of these drugs. The edits shall be
54 28 implemented in a manner that does not change the therapy or
54 29 the therapeutic outcome for the patient.

54 30 [(4) The department shall implement a generic incentive
54 31 patient copayment program to encourage the dispensing and use
54 32 of less costly pharmaceutical alternatives. The copayment
54 33 amount shall be 50 cents for a generic medication and \$2 for a
54 34 brand-name medication.]

VETOED

54 35 (5) Beginning October 1, 2001, the department shall
55 1 implement a state maximum allowable cost list for prescription
55 2 drugs. The department shall consult with its fiscal agent and
55 3 the drug utilization review commission, at no additional cost
55 4 to the department, to determine the drug list that will
55 5 provide the department with the most significant cost savings

Requires the DHS to work with its fiscal agent and the Drug Utilization Review Commission to implement a prescription drug cost list by October 1, 2001. Requires the DHS to report to the General Assembly and Governor by January 14, 2002, regarding the contracting process.

55 6 in the shortest period of time. In order to expedite
55 7 implementation, the department may implement the drug list
55 8 using a sole source contract during the initial year of
55 9 implementation. The department shall report to the general
55 10 assembly and the governor, on or before January 14, 2002,
55 11 identifying the entity with which the department enters the
55 12 contract to implement the program and whether the contract is
55 13 a sole source contract. The report shall include a
55 14 recommendation regarding continuation of the initial contract,
55 15 and if the initial contract is a sole source contract, whether
55 16 a sole source process or a request for proposals process
55 17 should be used to determine the contractor for any subsequent
55 18 contract entered into during the fiscal year beginning July 1,
55 19 2002.

55 20 c. For the fiscal year beginning July 1, 2001,
55 21 reimbursement rates for inpatient and outpatient hospital
55 22 services shall be reduced by three percent from the rates in
55 23 effect on June 30, 2001. The department shall continue the
55 24 outpatient hospital reimbursement system based upon ambulatory
55 25 patient groups implemented pursuant to 1994 Iowa Acts, chapter
55 26 1186, section 25, subsection 1, paragraph "f". In addition,
55 27 the department shall continue the revised medical assistance
55 28 payment policy implemented pursuant to that paragraph to
55 29 provide reimbursement for costs of screening and treatment
55 30 provided in the hospital emergency room if made pursuant to
55 31 the prospective payment methodology developed by the
55 32 department for the payment of outpatient services provided
55 33 under the medical assistance program.

55 34 d. For the fiscal year beginning July 1, 2001,
55 35 reimbursement rates for rural health clinics, hospices,
56 1 independent laboratories, and acute mental hospitals shall be
56 2 increased in accordance with increases under the federal
56 3 Medicare program or as supported by their Medicare audited
56 4 costs.

Requires the rate of reimbursement for inpatient and outpatient hospital services to be reduced by 3.00% for the rates in effect on June 30, 2001, and requires continuation of the outpatient reimbursement system utilizing Ambulatory Patient Groups implemented in FY 1995. Requires the DHS to continue the revised payment policy relating to screening and treatment provided in hospital emergency waiting rooms.

Requires rural health clinics, hospice services, and acute mental hospitals to be reimbursed at the rate established under the federal Medicare Program for FY 2002.

56 5 e. For the fiscal year beginning July 1, 2001,
56 6 reimbursement rates for home health agencies shall be reduced
56 7 by three percent from the rates in effect on June 30, 2001.

Requires rates to home health agencies be reduced by 3.00% for rates in effect on June 30, 2001.

56 8 f. For the fiscal year beginning July 1, 2001, federally
56 9 qualified health centers shall receive cost-based
56 10 reimbursement for 100 percent of the reasonable costs for the
56 11 provision of services to recipients of medical assistance.

Requires the DHS to reimburse federally qualified health centers at 100.00% of reasonable costs for provision of services to Medical Assistance recipients.

56 12 g. Beginning July 1, 2001, the reimbursement rates for
56 13 dental services shall be reduced by three percent from the
56 14 rates in effect on June 30, 2001.

Requires that the reimbursement rates for dental services be reduced by 3.00% for rates in effect on June 30, 2001.

56 15 h. Beginning July 1, 2001, the reimbursement rates for
56 16 community mental health centers shall be reduced by three
56 17 percent from the rates in effect on June 30, 2001.

Requires that the reimbursement rates for community mental health centers be reduced by 3.00% for rates in effect on June 30, 2001.

56 18 i. For the fiscal year beginning July 1, 2001, the maximum
56 19 reimbursement rate for psychiatric medical institutions for
56 20 children shall remain at the rate in effect on June 30, 2001,
56 21 based on per day rates for actual costs.

Specifies that the FY 2002 reimbursement rate for Psychiatric Medical Institutions for Children (PMICs) remains the same as the FY 2001 reimbursement rate.

56 22 j. For the fiscal year beginning July 1, 2001, unless
56 23 otherwise specified in this Act, all noninstitutional medical
56 24 assistance provider reimbursement rates shall be reduced by
56 25 three percent from the rates in effect on June 30, 2001,
56 26 except for area education agencies, local education agencies,
56 27 infant and toddler services providers, and those providers
56 28 whose rates are required to be determined pursuant to section
56 29 249A.20.

CODE: Requires that the reimbursement rates for all noninstitutional Medical Assistance providers be reduced by 3.00%, with specified exceptions, for rates in effect on June 30, 2001. The 3.00% rate reduction affects health providers eligible for average rate reimbursement pursuant to Section 249A.20.

56 30 k. Notwithstanding section 249A.20, the average
56 31 reimbursement rates for health care providers eligible for use
56 32 of the reimbursement methodology under that section shall be
56 33 reduced by three percent from the rate in effect on June 30,
56 34 2001.

56 35 2. For the fiscal year beginning July 1, 2001, the maximum
57 1 cost reimbursement rate for residential care facilities
57 2 reimbursed by the department shall not be less than \$24.50 per
57 3 day for the time period of July 1, 2001, through December 31,
57 4 2001, and shall not be less than \$25.14 per day for the time
57 5 period of January 1, 2002, through June 30, 2002. The flat
57 6 reimbursement rate for facilities electing not to file
57 7 semiannual cost reports shall not be less than \$17.50 per day
57 8 for the time period of July 1, 2001, through December 31,
57 9 2001, and shall not be less than \$17.96 per day for the time
57 10 period of January 1, 2002, through June 30, 2002.

Establishes the FY 2002 maximum cost reimbursement rate for Residential Care Facilities. For the time period July 1, 2001, through December 31, 2001, the rate will be \$24.50 per day. For the time period January 1, 2001, through June 30, 2002, the rate will be \$25.14. For facilities not filing cost reports for the time period July 1, 2001, through December 31, 2001, the rate will be \$17.50 per day. For the time period January 1, 2002, through June 30, 2002, the rate will be \$17.96 per day.

57 11 3. For the fiscal year beginning July 1, 2001, the maximum
57 12 reimbursement rate for providers reimbursed under the in-home
57 13 health-related care program shall not be less than \$471.06 per
57 14 month for the time period of July 1, 2001, through December
57 15 31, 2001, and shall not be less than \$483.31 per month for the
57 16 time period of January 1, 2002, through June 30, 2002.

Establishes the maximum FY 2002 reimbursement rate for in-home health-related care providers at \$471.06 per month for the first six months and \$483.31 per month for the second six months of FY 2002.

57 17 4. Unless otherwise directed in this section, when the
57 18 department's reimbursement methodology for any provider
57 19 reimbursed in accordance with this section includes an
57 20 inflation factor, this factor shall not exceed the amount by
57 21 which the consumer price index for all urban consumers
57 22 increased during the calendar year ending December 31, 2000.

Prohibits the reimbursement rates containing an inflation factor from increasing at a rate greater than the Consumer Price Index for the year ending December 31, 2000, except as specified.

57 23 5. Notwithstanding section 234.38, in the fiscal year
57 24 beginning July 1, 2001, the foster family basic daily
57 25 maintenance rate and the maximum adoption subsidy rate for
57 26 children ages 0 through 5 years shall be \$14.28, the rate for
57 27 children ages 6 through 11 years shall be \$15.07, the rate for
57 28 children ages 12 through 15 years shall be \$16.83, and the
57 29 rate for children ages 16 and older shall be \$16.83.

CODE: Specifies the rates for the foster family reimbursement rates for FY 2002.

DETAIL: The rates reflect 70.00% of the United States Department of Agriculture (USDA) regional cost of raising a child.

57 30 6. For the fiscal year beginning July 1, 2001, the maximum
57 31 reimbursement rates for social service providers shall remain

Provides for the continuation of the FY 2001 reimbursement rates for various service providers in FY 2002.

57 32 at the rates in effect on June 30, 2001. However, the rates
57 33 may be adjusted under any of the following circumstances:
57 34 a. If a new service was added after June 30, 2001, the
57 35 initial reimbursement rate for the service shall be based upon
58 1 actual and allowable costs.

58 2 b. If a social service provider loses a source of income
58 3 used to determine the reimbursement rate for the provider, the
58 4 provider's reimbursement rate may be adjusted to reflect the
58 5 loss of income, provided that the lost income was used to
58 6 support actual and allowable costs of a service purchased
58 7 under a purchase of service contract.

58 8 c. The department revises the reimbursement rates as part
58 9 of the changes in the mental health and developmental
58 10 disabilities services system initiated pursuant to 1995 Iowa
58 11 Acts, chapter 206, and associated legislation.

58 12 7. The group foster care reimbursement rates paid for
58 13 placement of children out-of-state shall be calculated
58 14 according to the same rate-setting principles as those used
58 15 for in-state providers unless the director determines that
58 16 appropriate care cannot be provided within the state. The
58 17 payment of the daily rate shall be based on the number of days
58 18 in the calendar month in which service is provided.

Requires out-of-state foster care providers to be reimbursed using the same rate-setting principles as those used for in-state providers, unless the Director of the DHS determines that care cannot be provided within the State.

58 19 8. For the fiscal year beginning July 1, 2001, the
58 20 reimbursement rates for rehabilitative treatment and support
58 21 services providers shall remain at the rates in effect on June
58 22 30, 2001.

Requires the FY 2002 reimbursement rates for Rehabilitative Treatment and Support (RTS) service providers to remain at the rates in effect for FY 2001.

58 23 9. For the fiscal year beginning July 1, 2001, the
58 24 combined service and maintenance components of the
58 25 reimbursement rate paid to a shelter care provider shall be
58 26 based on the cost report submitted to the department. The
58 27 maximum reimbursement rate shall be \$83.69 per day. The
58 28 department shall reimburse a shelter care provider at the
58 29 provider's actual and allowable unit cost, plus inflation, not
58 30 to exceed the maximum reimbursement rate.

Requires the FY 2002 reimbursement rate for shelter care providers to be calculated using a cost report, and sets the maximum rate at \$83.69 per day.

58 31 10. For the fiscal year beginning July 1, 2001, the
 58 32 department shall calculate reimbursement rates for
 58 33 intermediate care facilities for persons with mental
 58 34 retardation at the 80th percentile.

Requires the DHS to use the 80th percentile in calculating the reimbursement rate paid to intermediate care facilities for the mentally retarded.

58 35 11. For the fiscal year beginning July 1, 2001, for child
 59 1 care providers, the department shall set provider
 59 2 reimbursement rates based on the rate reimbursement survey
 59 3 completed in December 1998. The department shall set rates in
 59 4 a manner so as to provide incentives for a nonregistered
 59 5 provider to become registered.

Requires the DHS to set child day care provider rates based on the private sector provider rate survey from December 1998.

59 6 12. For the fiscal year beginning July 1, 2001,
 59 7 reimbursements for providers reimbursed by the department of
 59 8 human services may be modified if appropriated funding is
 59 9 allocated for that purpose from the senior living trust fund
 59 10 created in section 249H.4, or as specified in appropriations
 59 11 from the tobacco settlement endowment fund created in section
 59 12 12.65, Code 2001.

Permits the DHS to modify FY 2002 reimbursement rates for human services providers if additional funding is allocated from the Senior Living Trust Fund or appropriated from the Tobacco Settlement Endowment Fund.

59 13 [13. The department of human services shall review the
 59 14 disparity between the compensation provided to public
 59 15 employees who provide child welfare services relative to
 59 16 employees of private providers who have qualifications or job
 59 17 responsibilities that are comparable to the public employees.
 59 18 The department shall submit to the governor and to those
 59 19 persons designated by this Act to be provided with reports, a
 59 20 report of its review, including findings and a plan for
 59 21 reducing the disparity.]

VETOED

Requires the DHS to study and report to designated persons regarding the differences in salaries of public employees and employees of private providers relating to the provision of child welfare services. Requires the report to include a plan for reducing disparity.

VETOED: The Governor vetoed this Subsection, indicating that the DHS does not have the resources for the study.

59 22 14. The department may adopt emergency rules to implement
 59 23 this section.

Allows the DHS to adopt emergency rules if necessary for implementation of this Section involving service provider reimbursements.

59 24 Sec. 32. TRANSFER AUTHORITY. Subject to the provisions of
 59 25 section 8.39, for the fiscal year beginning July 1, 2001, if
 59 26 necessary to meet federal maintenance of effort requirements

Specifies that the DHS may transfer TANF, Social Services Block Grant, or General Fund appropriations within or between the following appropriations, provided that the combined funding is unchanged:

59 27 or to transfer federal temporary assistance for needy families
59 28 block grant funding to be used for purposes of the federal
59 29 social services block grant or to meet cash flow needs
59 30 resulting from delays in receiving federal funding or to
59 31 implement, in accordance with this Act, targeted case
59 32 management for child protection and for activities currently
59 33 funded with juvenile court services, county, or community
59 34 moneys and state moneys used in combination with such moneys,
59 35 the department of human services may transfer within or
60 1 between any of the appropriations made in this Act and
60 2 appropriations in law for the federal social services block
60 3 grant to the department for the following purposes, provided
60 4 that the combined amount of state and federal temporary
60 5 assistance for needy families block grant funding for each
60 6 appropriation remains the same before and after the transfer:
60 7 1. For the family investment program.
60 8 2. For emergency assistance.
60 9 3. For child care assistance.
60 10 4. For child and family services.
60 11 5. For field operations.
60 12 6. For general administration.
60 13 7. MH/MR/DD/BI community services (local purchase).
60 14 This section shall not be construed to prohibit existing
60 15 state transfer authority for other purposes.

60 16 Sec. 33. FRAUD AND RECOUPMENT ACTIVITIES. During the
60 17 fiscal year beginning July 1, 2001, notwithstanding the
60 18 restrictions in section 239B.14, recovered moneys generated
60 19 through fraud and recoupment activities are appropriated to
60 20 the department of human services to be used for additional
60 21 fraud and recoupment activities performed by the department of
60 22 human services or the department of inspections and appeals,
60 23 and the department of human services may add not more than
60 24 five full-time equivalent positions, in addition to those
60 25 funded in this Act, subject to both of the following
60 26 conditions:
60 27 1. The director of human services determines that the

1. Family Investment Program.
2. Emergency Assistance Program.
3. Child Day Care Assistance.
4. Child and Family Services.
5. Field Operations.
6. General Administration.
7. Mental Health/Mental Retardation/Developmental Disabilities/Brain Injury Community Services for Local Purchase of Services.

CODE: Permits the DHS to expend funds recovered through fraud investigations to perform additional fraud investigations as long as the additional investigations are anticipated to recover moneys in excess of both the costs of performing the investigations and the amount recovered in FY 1997. Limits the number of new staff to no more than 5.00 FTE positions.

60 28 investment can reasonably be expected to increase recovery of
60 29 assistance paid in error, due to fraudulent or nonfraudulent
60 30 actions, in excess of the amount recovered in the fiscal year
60 31 beginning July 1, 1997.

60 32 2. The amount expended for the additional fraud and
60 33 recoupment activities shall not exceed the amount of the
60 34 projected increase in assistance recovered.

60 35 Sec. 34. PRIOR YEAR NONREVERSION.

61 1 1. Notwithstanding 2000 Iowa Acts, chapter 1221, section
61 2 5, moneys appropriated in chapter 1221, section 1, subsection
61 3 1, paragraphs "f", "h", and "i", for home health care
61 4 services, for home health care services and habilitative day
61 5 care for children with special needs, and for respite care
61 6 services provided through home and community-based waiver
61 7 services which are unexpended or unencumbered at the close of
61 8 the fiscal year beginning July 1, 2000, and ending June 30,
61 9 2001, shall not revert but shall remain available to be used
61 10 in the succeeding fiscal year to supplement the medical
61 11 assistance appropriation made in this Act.

CODE: Specifies that the estimated \$4,000,000 remaining from the FY 2001 Tobacco Settlement Fund appropriation to the DHS for home health care services, home health care and habilitative day care for special needs children services, and respite care services, is not to revert but is to remain available in FY 2002 to supplement the Medical Assistance Program appropriation.

61 12 2. Notwithstanding 2000 Iowa Acts, chapter 1221, section
61 13 5, \$1,000,000 of the moneys appropriated in 2000 Iowa Acts,
61 14 chapter 1221, section 3, for purchase of service contract
61 15 providers which is unexpended or unencumbered at the close of
61 16 the fiscal year beginning July 1, 2000, and ending June 30,
61 17 2001, shall not revert but shall remain available to be used
61 18 in the succeeding fiscal year to supplement the medical
61 19 assistance appropriation made in this Act.

CODE: Specifies that \$1,000,000 of the \$1,853,250 remaining from the FY 2001 Tobacco Settlement Fund appropriation for local purchase of service provider salary increases be carried forward into FY 2002 to supplement the Medical Assistance appropriation.

61 20 Sec. 35. Section 135H.6, subsection 2, Code 2001, is
61 21 amended to read as follows:
61 22 2. The proposed psychiatric institution is accredited by
61 23 the joint commission on the accreditation of health care
61 24 organizations, the commission on accreditation of
61 25 rehabilitation facilities, the council on accreditation of

CODE: Requires that certain accrediting organizations used for accrediting purposes by psychiatric medical institutions for children (PMICs) have standards that are acceptable by federal regulation.

61 26 services for families and children, or by any other ~~federally~~
61 27 recognized accrediting organization with comparable standards
61 28 acceptable under federal regulation.

61 29 Sec. 36. Section 225B.8, Code 2001, is amended to read as
61 30 follows:
61 31 225B.8 REPEAL.
61 32 This chapter is repealed July 1, ~~2004~~ 2006.

CODE: Delays the repeal of the Chapter of the Code of Iowa relating to the Prevention of Disabilities from FY 2001 to FY 2006.

61 33 Sec. 37. NEW SECTION. 234.45 IOWA MARRIAGE INITIATIVE
61 34 GRANT FUND.

CODE: Creates the Iowa Marriage Initiative Grant Fund within the State Treasury. Monies appropriated to the Fund are not to revert but will remain available to the Fund for the purpose designated by the General Assembly.

61 35 1. An Iowa marriage initiative grant fund is established
62 1 in the state treasury under the authority of the department of
62 2 human services. The grant fund shall consist of moneys
62 3 appropriated to the fund and notwithstanding section 8.33 such
62 4 moneys shall not revert to the fund from which appropriated at
62 5 the close of the fiscal year but shall remain in the Iowa
62 6 marriage initiative grant fund. Moneys credited to the fund
62 7 shall be used as directed in appropriations made by the
62 8 general assembly for funding of services to support marriage
62 9 and to encourage the formation and maintenance of two-parent
62 10 families that are secure and nurturing.
62 11 2. It is the intent of the general assembly to credit to
62 12 the Iowa marriage initiative grant fund, federal moneys
62 13 provided to the state for the express purpose of supporting
62 14 marriage or two-parent families.

62 15 Sec. 38. Section 232.142, Code 2001, is amended by adding
62 16 the following new subsection:
62 17 NEW SUBSECTION. 6. A juvenile detention home fund is
62 18 created in the state treasury under the authority of the
62 19 department. The fund shall consist of moneys deposited in the
62 20 fund pursuant to sections 321.218A and 321A.32A. The moneys
62 21 in the fund shall be used for the costs of the establishment,
62 22 improvement, operation, and maintenance of county or
62 23 multicounty juvenile detention homes in accordance with annual
62 24 appropriations made by the general assembly from the fund for

CODE: Creates a Juvenile Detention Home Fund within the State Treasury to deposit the funds from the motor vehicle license reinstatement penalty.

DETAIL: The penalties already exist and are not changed with this Section. The change reflects the deposit of the funds generated from the penalties to the newly created Juvenile Detention Home Fund in lieu of the State General Fund. For several years, these funds have been credited to the DHS by the General Assembly and appropriated

62 25 these purposes.

to county juvenile detention homes. This Section changes only the reference needed to create the Juvenile Detention Home Fund. The funds continue to be appropriated to the homes in Section 15 of this Act.

62 26 Sec. 39. Section 234.12A, subsection 1, paragraphs b and
62 27 c, Code 2001, are amended to read as follows:

CODE: Specifies a reduction in reimbursement from \$0.15 to \$0.07 for each approved transaction to retailers providing electronic funds transfer system equipment utilized for authorized programs within the DHS.

62 28 b. A retailer providing electronic funds transfer system
62 29 equipment for transactions pursuant to the program shall be
62 30 reimbursed ~~fifteen~~ seven cents for each approved transaction
62 31 pursuant to the program utilizing the retailer's equipment.
62 32 c. A retailer that provides electronic funds transfer
62 33 system equipment for transactions pursuant to the program and
62 34 who makes cash disbursements pursuant to the program utilizing
62 35 the retailer's equipment shall be paid a fee of ~~fifteen~~ seven
63 1 cents by the department for each cash disbursement transaction
63 2 by the retailer.

63 3 Sec. 40. Section 235A.16, subsection 2, Code 2001, is
63 4 amended to read as follows:

CODE: Permits the DHS to implement a single contact repository for the child abuse registry, in conjunction with other entities of State government.

63 5 2. a. Requests for child abuse information may be made
63 6 orally by telephone where a person making such a request
63 7 believes that the information is needed immediately and where
63 8 information sufficient to demonstrate authorized access is
63 9 provided. In the event that a request is made orally by
63 10 telephone, a written request form shall nevertheless be filed
63 11 within seventy-two hours.

63 12 b. The department of inspections and appeals may provide
63 13 access to the single contact repository established under
63 14 section 135C.33, subsection 6, for criminal and abuse history
63 15 checks made by those employers, agencies, and other persons
63 16 that are authorized access to child abuse information under
63 17 section 235A.15 and are required by law to perform such
63 18 checks.

63 19 Sec. 41. Section 239B.8, subsection 1, Code 2001, is
63 20 amended to read as follows:
63 21 1. PARTICIPATION — EXEMPTIONS. A parent living in a home
63 22 with a child for whom an application for family investment
63 23 program assistance has been made or for whom the assistance is
63 24 provided, and all other individual members of the family whose
63 25 needs are included in the assistance shall be subject to a
63 26 family investment agreement unless exempt under rules adopted
63 27 by the department or unless any of the following conditions
63 28 exists:
63 29 ~~a. The individual is completely unable to participate in~~
63 30 ~~any agreement option due to disability.~~
63 31 ~~b. a.~~ The individual is less than sixteen years of age and
63 32 is not a parent.
63 33 ~~c. b.~~ The individual is sixteen through eighteen years of
63 34 age, is not a parent, and is attending elementary or secondary
63 35 school, or the equivalent level of vocational or technical
64 1 school, on a full-time basis.
64 2 ~~d. c.~~ The individual is not a United States citizen and is
64 3 not a qualified alien as defined in 8 U.S.C. § 1641.

CODE: Eliminates the exemption for individuals with disabilities from participation in the Family Investment Agreements (FIA) to be in compliance with federal law.

64 4 Sec. 42. Section 321.218A, Code 2001, is amended to read
64 5 as follows:
64 6 321.218A CIVIL PENALTY — DISPOSITION — REINSTATEMENT.
64 7 When the department suspends, revokes, or bars a person's
64 8 driver's license or nonresident operating privilege for a
64 9 conviction under this chapter, the department shall assess the
64 10 person a civil penalty of two hundred dollars. However, for
64 11 persons age nineteen or under, the civil penalty assessed
64 12 shall be fifty dollars. The civil penalty does not apply to a
64 13 suspension issued for a violation of section 321.180B. The
64 14 money collected by the department under this section shall be
64 15 transmitted to the treasurer of state who shall deposit the
64 16 money in the general fund of the state juvenile detention home
64 17 fund created in section 232.142. A temporary restricted
64 18 license shall not be issued or a driver's license or

CODE: Technical correction to reflect necessary changes relating to the creation of the Juvenile Detention Home Fund.

64 19 nonresident operating privilege reinstated until the civil
64 20 penalty has been paid.

64 21 Sec. 43. Section 321A.32A, Code 2001, is amended to read
64 22 as follows:
64 23 321A.32A CIVIL PENALTY — DISPOSITION — REINSTATEMENT.
64 24 When the department suspends, revokes, or bars a person's
64 25 driver's license or nonresident operating privilege under this
64 26 chapter, the department shall assess the person a civil
64 27 penalty of two hundred dollars. However, for persons age
64 28 nineteen or under, the civil penalty assessed shall be fifty
64 29 dollars. The money collected by the department under this
64 30 section shall be transmitted to the treasurer of state who
64 31 shall deposit the money in the ~~general fund of the state~~
64 32 juvenile detention home fund created in section 232.142. A
64 33 temporary restricted license shall not be issued or a driver's
64 34 license or nonresident operating privilege reinstated until
64 35 the civil penalty has been paid.

CODE: Technical correction to reflect necessary changes relating to the creation of the Juvenile Detention Home Fund.

65 1 Sec. 44. Section 426B.2, subsection 3, Code 2001, is
65 2 amended to read as follows:
65 3 3. The director of human services shall draw warrants on
65 4 the property tax relief fund, payable to the county treasurer
65 5 in the amount due to a county in accordance with subsection 1
65 6 and mail the warrants to the county auditors in ~~September~~ July
65 7 and ~~March~~ January of each year.

CODE: Changes the months in which counties receive funds from the State from the Property Tax Relief Fund relating to mental health expenditures, from September and March to July and January.

DETAIL: This action results in approximately \$1,000,000 less in revenue to the State General Fund from reduced interest earned.

65 8 Sec. 45. 2000 Iowa Acts, chapter 1228, section 8, is
65 9 amended by adding the following new subsection:
65 10 NEW SUBSECTION. 18. Notwithstanding section 8.33, the
65 11 state share of funds received by the state in this fiscal year
65 12 or the succeeding fiscal year in a settlement with a fiscal
65 13 agent shall not revert or be credited to the general fund but
65 14 shall be treated as a repayment receipt and remain available
65 15 to supplement funds appropriated in this section for the
65 16 fiscal period beginning July 1, 2000, and for any
65 17 appropriation made for medical assistance for the fiscal year

CODE: Permits the DHS to use funds derived from the settlement with a previous fiscal agent for the Medical Assistance Program beginning July 1, 2000.

DETAIL: Allows the use of funding received from this settlement to be carried over into FY 2002 and not subject to reversion.

65 18 beginning July 1, 2001.

65 19 Sec. 46. 2000 Iowa Acts, chapter 1228, section 9, is
 65 20 amended by adding the following new unnumbered paragraph:
 65 21 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33,
 65 22 moneys appropriated in this section that remain unencumbered
 65 23 or unobligated at the close of the fiscal year shall not
 65 24 revert but shall remain available for expenditure for the
 65 25 purposes designated until the close of the succeeding fiscal
 65 26 year.

CODE: Allows unused funds from Pharmacy Case Management Study at the close of FY 2001 to remain available as carryover into FY 2002.

65 27 Sec. 47. 2000 Iowa Acts, chapter 1232, section 1, is
 65 28 amended to read as follows:
 65 29 SECTION 1. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND
 65 30 DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR
 ADJUSTMENT

CODE: Reduces the FY 2002 appropriation for Mental Health Allowable Growth.

65 31 ~~AND ALLOCATIONS.~~ There is appropriated from the general fund
 65 32 of the state to the department of human services for the
 65 33 fiscal year beginning July 1, 2001, and ending June 30, 2002,
 65 34 the following amount, or so much thereof as is necessary, to
 65 35 be used for the purpose designated:

DETAIL: This is a decrease of \$10,535,866 compared to the FY 2001 estimated net appropriation. The amount of the FY 2002 appropriation was enacted in SF 2452 (2000 Standings Appropriation Act). The reduction in this Section is a decrease of \$17,159,591 compared to the FY 2002 appropriation. This represents a decrease of 4.50% in the "allowable growth" calculation for FY 2002, which takes into effect the sum of \$214,181,914 of county expenditures in certain years and the allowable growth appropriation when the percentage is calculated.

66 1 For distribution to counties of the county mental health,
 66 2 mental retardation, and developmental disabilities allowed
 66 3 growth factor adjustment, ~~in accordance with section 331.438,~~
 66 4 ~~subsection 2, and section 331.439, subsection 3, and chapter~~
 66 5 ~~426B~~ in accordance with law:

66 6 \$ 26,492,712
 66 7 24,887,428

66 8 The funding appropriated in this section is the allowed
 66 9 growth factor adjustment for fiscal year 2001–2002, and is
 66 10 allocated as follows:

66 11 1. For distribution to counties for fiscal year 2001–2002
 66 12 in accordance with the formula in section 331.438, subsection
 66 13 2, paragraph "b":
 66 14 \$ 12,000,000

66 15 2. For deposit in the per capita expenditure target pool
 66 16 created in the property tax relief fund pursuant to section

66 17 426B.5, subsection 1:
 66 18 \$ 10,492,712
 66 19 12,492,712
 66 20 ~~In addition to the requirement of section 426B.5,~~
 66 21 ~~subsection 1, paragraph "c", limiting eligibility for moneys~~
 66 22 ~~appropriated in this paragraph to counties levying the maximum~~
 66 23 ~~amount allowed, both of the following eligibility requirements~~
 66 24 ~~are applicable:~~
 66 25 ~~a. In the fiscal year beginning July 1, 2000, the county's~~
 66 26 ~~services fund ending balance under generally accepted~~
 66 27 ~~accounting principles was equal to or less than 35 percent of~~
 66 28 ~~the county's projected expenditures for that fiscal year.~~
 66 29 ~~b. The county is in compliance with the filing date~~
 66 30 ~~requirements under section 331.403.~~
 66 31 ~~3. For deposit in the incentive and efficiency pool~~
 66 32 ~~created in the property tax relief fund pursuant to section~~
 66 33 ~~426B.5, subsection 2:~~
 66 34 \$ 2,000,000
 66 35 ~~4. 3. For deposit in the risk pool created in the property~~
 67 1 ~~tax relief fund pursuant to section 426B.5, subsection 3:~~
 67 2 \$ 2,000,000
 67 3 394,716

67 4 Sec. 48. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND
 67 5 DEVELOPMENTAL DISABILITIES (MH/MR/DD) ALLOWED GROWTH
 67 6 ADJUSTMENT AND ALLOCATIONS — REVISED ALLOCATIONS FOR FY
 2001—

67 7 2002.

67 8 1. Notwithstanding any contrary provisions of sections
 67 9 225C.7, 331.438, subsection 2, 331.439, subsection 3, and
 67 10 426B.5, and 2000 Iowa Acts, chapter 1232, section 1, as
 67 11 amended by this Act, the moneys appropriated in this Act, for
 67 12 distribution to counties in the fiscal year beginning July 1,
 67 13 2001, for purposes of the mental health and developmental
 67 14 disabilities (MH/DD) community services fund under section
 67 15 225C.7, and for the allowed growth factor adjustment for

CODE: Adjusts the FY 2002 appropriation for Mental Health Allowable
 Growth by decreasing the appropriation of \$24,887,428 by
 \$15,554,307, resulting in a net Allowable Growth appropriation for FY
 2002 of \$9,333,121. Specifies certain qualifications based upon the
 amount of the balance of the County Mental Health, Mental
 Retardation, and Developmental Disabilities Services Fund and filing
 of the annual report by December 1, 2001.

DETAIL: A spreadsheet which estimates the amount for each of the
 99 counties from the appropriation is available upon request from the
 Legislative Fiscal Bureau (LFB).

67 16 services paid under a county's section 331.424A mental health,
67 17 mental retardation, and developmental disabilities services
67 18 fund shall be subject to withholding as provided in this
67 19 section.

67 20 2. After applying the applicable statutory distribution
67 21 formulas to the amounts specified in the appropriations made
67 22 in this Act for the MH/DD community services fund and for
67 23 allowed growth in section 47, as amended by this Act, the
67 24 department of human services shall apply a withholding factor
67 25 to adjust the actual amount of the funding to be distributed
67 26 to an eligible individual county. An ending balance
67 27 percentage for each county shall be determined by calculating
67 28 the county's ending balance on a modified accrual basis under
67 29 generally accepted accounting principles for the fiscal year
67 30 beginning July 1, 2000, in the county's mental health, mental
67 31 retardation, and developmental disabilities services fund
67 32 created under section 331.424A, as a percentage of the
67 33 county's gross expenditures from that fund for the fiscal
67 34 year. The withholding factor for a county shall be the
67 35 following applicable percent:

68 1 a. For an ending balance percentage of less than 15
68 2 percent, a withholding factor of 0 percent.

68 3 b. For an ending balance percentage of 15 through 24
68 4 percent, a withholding factor of 12.8 percent.

68 5 c. For an ending balance percentage of 25 through 34
68 6 percent, a withholding factor of 35 percent.

68 7 d. For an ending balance percentage of 35 through 44
68 8 percent, a withholding factor of 67.25 percent.

68 9 e. For an ending balance percentage of 45 percent or more,
68 10 a withholding factor of 100 percent.

68 11 3. The total withholding amounts applied pursuant to
68 12 subsection 2 shall be equal to a withholding target amount of
68 13 \$15,554,307 and the appropriations made in this Act for the
68 14 MH/DD community services fund and for MH/MR/DD allowed growth
68 15 as amended in section 47 of this Act, shall be reduced by the
68 16 amounts necessary to attain the withholding target amount. If
68 17 the department of human services determines that the amount to

68 18 be withheld in accordance with subsection 2 is not equal to
68 19 the target withholding amount, the department shall adjust the
68 20 withholding factors listed in subsection 2 as necessary to
68 21 achieve the withholding target amount. However, in making
68 22 such adjustments to the withholding factors the department
68 23 shall strive to minimize changes to the withholding factors
68 24 for those ending balance percentage ranges that are lower than
68 25 others and shall not adjust the zero withholding factor
68 26 specified in subsection 2, paragraph "a".

68 27 4. Only those counties that are in compliance with the
68 28 December 1, 2001, filing deadline for the county annual
68 29 financial report in accordance with section 331.403 are
68 30 eligible to receive a funding distribution under this section.
68 31 The amount that would otherwise be available for distribution
68 32 to a county that fails to so comply shall be proportionately
68 33 distributed among the eligible counties.

68 34 5. The department of human services shall authorize the
68 35 issuance of warrants payable to the county treasurer for the
69 1 distribution amounts due to the counties eligible under this
69 2 section and notwithstanding prior practice for the MH/DD
69 3 community services fund, the warrants shall be issued in
69 4 January 2002.

69 5 Sec. 49. EMERGENCY RULES. If specifically authorized by a
69 6 provision of this Act, the department of human services or the
69 7 mental health and developmental disabilities commission may
69 8 adopt administrative rules under section 17A.4, subsection 2,
69 9 and section 17A.5, subsection 2, paragraph "b", to implement
69 10 the provisions and the rules shall become effective
69 11 immediately upon filing, unless the effective date is delayed
69 12 by the administrative rules review committee, notwithstanding
69 13 section 17A.4, subsection 5, and section 17A.8, subsection 9,
69 14 or a later effective date is specified in the rules. Any
69 15 rules adopted in accordance with this section shall not take
69 16 effect before the rules are reviewed by the administrative
69 17 rules review committee. Any rules adopted in accordance with
69 18 the provisions of this section shall also be published as

CODE: Permits the DHS to use expedited rule-making procedures under the Administrative Procedures Act if specifically authorized by a provision of this Act. Requires rules adopted using this expedited process to be published as notice of intended action.

69 19 notice of intended action as provided in section 17A.4.

69 20 Sec. 50. REPORTS. Any reports or information required to
69 21 be compiled and submitted under this Act shall be submitted to
69 22 the chairpersons and ranking members of the joint
69 23 appropriations subcommittee on human services, the legislative
69 24 fiscal bureau, the legislative service bureau, and to the
69 25 legislative caucus staffs on or before the dates specified for
69 26 submission of the reports or information.

Requires all reports required in this Act to be submitted to the Chairpersons and Ranking Members of the Human Services Appropriations Subcommittee, the LFB, the Legislative Service Bureau (LSB), and the caucus staffs of each chamber.

69 27 Sec. 51. EQUIPMENT PURCHASE MORATORIUM.

69 28 1. [Commencing on the effective date of this section, the
69 29 department of human services shall eliminate nonessential
69 30 equipment purchases otherwise payable from any appropriation
69 31 or transfer made to the department for the fiscal years
69 32 beginning July 1, 2000.] Notwithstanding section 8.33,
69 33 \$500,000 of the moneys appropriated and transfers made to the
69 34 department of human services for the fiscal year beginning
69 35 July 1, 2000, in 2000 Iowa Acts, chapters 1004, 1221, 1226,
70 1 1228, 1231, and 1232, and any other provision of law, that may
70 2 be used for equipment purposes, that remain unencumbered or
70 3 unobligated at the close of the fiscal year shall not revert
70 4 but shall remain available for expenditure for the purposes
70 5 designated in the appropriations made in this Act until the
70 6 close of the succeeding fiscal year.

VETOED

CODE: Requires \$500,000 to be carried forward from FY 2001 to FY 2002 for purposes designated.

Requires the DHS to eliminate nonessential equipment purchases for the remainder of FY 2001 with the effective date of this Section.

VETOED: The Governor vetoed the first sentence of this Subsection, stating that the language is unnecessary as all departments have been directed to cease the purchase of nonessential equipment.

70 7 2. Upon submission to the persons designated by this Act
70 8 for receiving reports of a report describing the transfers
70 9 being made, the department may transfer up to \$2,500,000 to
70 10 the appropriation in this Act for general administration from
70 11 moneys that are budgeted for purchase of equipment in other
70 12 appropriations made to the department in this Act.

Requires the DHS to submit reports describing transfers and permits the DHS to transfer funds budgeted for equipment from various budget units to General Administration to offset the \$2,500,000 decrease due to the equipment purchase moratorium.

70 13 [Sec. 52. ADULT MENTAL HEALTH, MENTAL RETARDATION, AND
70 14 DEVELOPMENTAL DISABILITIES SERVICES FUNDING
DECATEGORIZATION

VETOED

70 15 PILOT PROJECT IMPLEMENTATION. The following target dates are

70 16 applicable to implementation of the adult mental health,
70 17 mental retardation, and developmental disabilities services
70 18 funding decategorization pilot project under section 331.440A:

70 19 1. May 2001: Representatives of the pilot project and the
70 20 department of human services shall visit Kansas City offices
70 21 of the federal health care financing administration to present
70 22 a concept paper and begin the development process for a
70 23 section 1915b waiver application and section 1915c waiver
70 24 amendment under the medical assistance program.

70 25 2. July 1, 2001: The department of human services shall
70 26 transfer responsibility for administering state case payments
70 27 to the pilot project counties, including the monthly payment
70 28 amount per eligible person provisions under the state's
70 29 administrative services only contract for state cases and the
70 30 applicable percentage of field operations staff expenses.

70 31 3. October 2001: Federal social services block grant
70 32 local purchase funding shall be directly transferred to the
70 33 pilot project counties.

70 34 4. January 2002: State supplementary assistance funding
70 35 and civil commitment funding shall be transferred to the pilot
71 1 project counties and the section 1915b waiver application and
71 2 the section 1915c waiver amendment under the medical
71 3 assistance program shall be submitted to the health care
71 4 financing administration of the United States department of
71 5 health and human services.

71 6 5. July 2002: The state portion of the costs attributable
71 7 to placements at a state mental health institute made from the
71 8 pilot project counties, and the portion of funding for mental
71 9 health and developmental disabilities services that is not
71 10 county funding, including state and federal medical assistance
71 11 program funding for such services, shall be transferred to the
71 12 pilot project counties.]

Specifies target deadlines for implementation of a pilot project relating to decategorization of services relating to mental health, mental retardation, and developmental disabilities. The pilot project would result in counties having more responsibilities within service decisions and funding

VETOED: The Governor vetoed this Section, indicating that the DHS did not have the resources to staff the endeavor.

71 13 Sec. 53. EFFECTIVE DATES. The following provisions of
 71 14 this Act, being deemed of immediate importance, take effect
 71 15 upon enactment:
 71 16 1. Section 3, subsection 2, relating to nonreversion of
 71 17 moneys allocated for electronic benefits transfer development.
 71 18 2. Section 14, subsection 2, paragraph "e", relating to
 71 19 requirements of section 232.143, for the 2001–2002 fiscal
 71 20 year.
 71 21 3. Section 14, subsection 14, paragraph "a", relating to
 71 22 determining allocation of court-ordered services funding.
 71 23 4. Section 26, subsection 2, relating to nonreversion of
 71 24 moneys appropriated in 2000 Iowa Acts, chapter 1228, section
 71 25 27.
 71 26 5. Section 34, relating to nonreversion of moneys
 71 27 appropriated in 2000 Iowa Acts, chapter 1221, section 1, for
 71 28 home health care services, for home health care and
 71 29 habilitative day care for children with special needs, and for
 71 30 respite care provided through home and community-based waiver
 71 31 services, and relating to nonreversion of moneys appropriated
 71 32 in 2000 Iowa Acts, chapter 1221, section 3, for purchase of
 71 33 service contract providers.
 71 34 6. Section 45, relating to nonreversion of moneys
 71 35 appropriated in 2000 Iowa Acts, chapter 1228, section 8, for
 72 1 medical assistance repayment receipts.
 72 2 7. Section 46, relating to nonreversion of moneys
 72 3 appropriated in 2000 Iowa Acts, chapter 1228, section 9, for
 72 4 the pharmaceutical case management study.
 72 5 8. Section 51, relating to the equipment purchase
 72 6 moratorium.
 72 7 [9. Section 52, relating to adult mental health, mental
 72 8 retardation, and developmental disabilities services funding
 72 9 decategorization pilot project implementation.]

VETOED

Specifies the following Sections are effective upon enactment:

1. Section 3, Subsection 2 - Specifies that the nonreversion of FY 2001 technology funds for the electronic benefits transfer (EBT) into FY 2002 is effective upon enactment.
2. Section 14, Subsections 2(e) and 14(a) - Specifies that the placement criteria for juvenile foster care and the distribution formula for certain court-ordered services are effective upon enactment.
3. Section 26, Subsection 2 - Specifies that the FY 2001 revenues carryforward provision for the Sexual Predator Commitment Program is effective upon enactment.
4. Section 34 - Specifies that approximately \$5.0 million from various appropriations from the FY 2001 Tobacco Settlement Fund appropriation not revert but be carried forward into FY 2002 to supplement the FY 2002 Medical Assistance appropriation.
5. Section 45 - Specifies that the utilization of FY 2001 revenues from a court settlement for the Medical Assistance Program in FY 2002 is effective upon enactment.
6. Section 46 - Specifies that the FY 2001 revenues carryforward provision for the Pharmaceutical Case Management study is effective upon enactment.
7. Section 51 - Specifies that the FY 2001 equipment purchase moratorium for the DHS is effective upon enactment.
8. Section 52 - Specifies that the pilot project regarding decategorization is effective upon enactment.

VETOED: The Governor vetoed Section 53, Subsection 9, to parallel the veto of Section 52.